

HIGHLIGHTS

DEMOGRAPHICS

HOUSING STOCK

HOMEOWNERS

RENTERS

ELDERS

SPECIAL NEEDS

RACE/ETHNICITY

## 2010 VERMONT HOUSING NEEDS ASSESSMENT

This assessment was conducted by Vermont Housing Finance Agency for the Vermont Department of Economic, Housing and Community Development, with financial and technical support from the Vermont Housing & Conservation Board, Vermont Agency for Human Services, and Vermont State Housing Authority.

Based on national and state data, this assessment estimates current housing needs in Vermont and projects trends for the next five years. Results focus on housing needs among the state's 55,000 lower income households that have incomes at or below \$41,000, approximately 80% of the state median.

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## Reference Guide for Locating HUD-Required Information

According to 24 CFR Title 24, Volume 1, Chapter 1, Part 91 Sections 305 and 310, the HUD Housing Needs Assessment must contain the following elements:

REQUIREMENT	CHAPTER
Describe the jurisdiction's estimated housing needs projected for the ensuing five-year period	I, II, IV, V, VI
Estimate the number and type of families in need of housing assistance for extremely low-income, low-income, moderate-income, and middle-income families, for: renters and owners, for elderly persons, for single persons, for large families, for persons with HIV/AIDS and their families, and for persons with disabilities	I, II, IV, V, VI, VII, X
Cost burden and severe cost burden	I, IV, V
Overcrowding (especially for large families)	III
Substandard housing conditions being experienced by extremely low-income, low-income, moderate-income, and middle-income renters and owners compared to the jurisdiction as a whole	III
To the extent that any racial or ethnic group has disproportionately greater need in comparison to the needs of that category as a whole, assessment of that specific need shall be included	VIII
Nature and extent of homelessness (including rural homelessness)	VII, X
Need for facilities and services for homeless individuals and homeless families with children, both sheltered and unsheltered, and homeless subpopulations, in accordance with a table prescribed by HUD	X

REQUIREMENT	CHAPTER
Characteristics and needs of low-income individuals and families with children (especially extremely low-income) who are currently housed but threatened with homelessness	IV, V, VII
Number of persons who are not homeless but require supportive housing, including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, public housing residents	V, VII
Estimate the number of housing units within the jurisdiction that are occupied by low-income families or moderate-income families that contain lead-based paint hazards	III
Describe the significant characteristics of the State's housing markets (including such aspects as the supply, demand, and condition and cost of housing).	III, IV, V
Brief inventory of facilities and services that meet the needs for emergency shelter and transitional housing needs of homeless persons within the State.	VII
Facilities and services that assist persons who are not homeless but who require supportive housing, and programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing	VII
The cost of housing or the incentives to develop, maintain, or improve affordable housing in the State are affected by its policies, including tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.	III
Explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing in the jurisdiction are affected by public policies, particularly by policies of the jurisdiction, including tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment.	III

## HIGHLIGHTS

As this report was prepared, the U.S. economy was in a deep recession. By conventional measures Vermonters appear better off than residents of the many states with double-digit unemployment rates and widespread home foreclosures. Although higher than it has been in the last 20 years, Vermont's unemployment rate has remained well below the national average. Similarly, Vermont's foreclosure rate is currently half that of the U.S. as a whole.

Despite this good fortune relative to other states, Vermont's lower income households fare no better in their quest for affordable housing. In the U.S. and Vermont, most households with incomes at or below 80% of the median pay unaffordable housing expenses. At least a fifth of all lower income households pay more than half of their incomes for housing, leaving few resources for other necessities.

The current environment of economic uncertainty creates unique challenges for reports like this that strive to assess current and projected housing needs of different types of households. The recession is unlikely to cause major changes for long-term trends such as the growth of Vermont's aging population, its racial composition, or the age of its housing stock. However, some indicators included in this report, such as household incomes, vacancy rates, and housing prices, are likely to be more volatile in times of economic instability. Frequent monitoring of state level data will be critical to formulating timely and accurate policy responses in these uncertain times.

- The number of households living in Vermont is expected to continue a trend of expansion through 2014, but at a slower rate than the national average. Vermont's growth rate now is less than half that experienced in the state during 1980-2000.<sup>1</sup>
- All of Vermont's household growth is due to expansion among the population aged 55 and older, most of whom own their homes, rather than rent. The number of households headed by younger people is expected to fall slightly by 2014.<sup>2</sup>
- Vermont's housing stock is dominated by older, owner-occupied homes. About 44% of the housing stock is comprised of year-round, owner-occupied homes built before 1950. A third of all rental and owned homes in the state were built before 1950, when lead-based paint was almost universally used.<sup>3</sup>
- The supply of housing in Vermont is uniquely constrained in comparison to other states. The vacancy rate among owner homes was 1.6% in 2008 — fourth lowest in the country. Although the vacancy rate among Vermont's rental homes was the lowest in the country in 2008, it has increased recently according to quarterly data for 2009.<sup>4</sup> High development costs and regulatory constraints are commonly considered contributors to the slow rate of home building in Vermont. The current recession has caused a further drop in the number of building permits issued.<sup>5</sup>
- An estimated 62%, or 27,000, of the lower income renter households living in Vermont (with incomes less than \$41,000) lack housing they can afford without spending more than 30% of their income for their housing expenses. About 13,000 of these households pay an extremely challenging 50% or more of their income housing expenses.<sup>6</sup>
- About 26,000 lower income Vermonters own their homes and have mortgages. An estimated 82%, or 21,000, of these households have mortgage payments and other housing expenses

that consume more than 30% of their incomes. Just over 7,000 of these households pay more than 50% of their incomes for their mortgage and other housing expenses.<sup>7</sup>

- Although population growth projections in Vermont are fairly modest, about 5,000 rental units and 8,000 owner homes will likely need to be constructed between 2009 and 2014 to accommodate new households and replace units aging out of the stock.<sup>8</sup> This would require doubling the current rate of construction activity in the state.<sup>9</sup>
- Sixteen percent of all Vermonters have at least one disability.<sup>10</sup> Vermont-based research suggests that these households experience more impediments to housing choice and discrimination in the home buying market than their non-disabled counterparts.<sup>11</sup>
- An estimated 5,400 Vermonters were homeless at some point during 2008.<sup>12</sup> During a one-day count in January 2009, 46% of people who were homeless were children and adults in families, including 754 children under 17 (28% of all people counted that day).<sup>13</sup>

The 2010 Vermont Housing Needs Assessment was conducted by Vermont Housing Finance Agency for the Vermont Department of Economic, Housing

and Community Development, with financial and technical support from the Vermont Housing and Conservation Board, Vermont Agency for Human Services, and Vermont State Housing Authority. Based on national and state data, this assessment estimates current housing needs in Vermont and projects trends for the next five years. The study focuses on housing needs among the state's lower income households (i.e. those earning less than 80% of the median), but also examines the unique challenges facing other special populations (such as the elderly and extremely low income households making less than 30% of the median).

The Vermont Housing Needs Assessment of 2010 examines housing issues in the following seven areas:

- Demographic Trends Among Vermont Households
- Vermont's Housing Stock Challenges
- Affordable Homeownership Options for Lower Income Vermonters
- Availability of Affordable Rental Housing for Lower Income Vermonters
- Vermont's Growing Number of Elders
- Vermonters with Special Needs
- Race, Ethnicity, and Housing

More detailed discussion is provided in separate fact sheets on each of these topics.

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1 VHFA analysis based on information from U.S. Census Bureau — Census of Population & Housing 2000 and American Community Survey 2005 and estimates provided by Nielsen Claritas.

2 Based on estimates provided by Nielsen Claritas, 2009.

3 [American Community Survey 2005-7, tables B25003, B25004, and B25036](#). US Census Bureau.

4 [Housing Vacancy Survey](#). US Census Bureau. October 2009.

5 [VHFA analysis of U.S. Census Bureau housing unit estimates](#) and [building permit estimates](#). July 2009.

6 VHFA analysis of data provided by Nielsen Claritas and [American Community Survey 2005-7, Tables B25106 and B25070](#). US Census Bureau.

7 VHFA analysis of [American Community Survey 2005-7, Tables 25101 and 25091](#). US Census Bureau.

8 VHFA analysis of estimates provided by Nielsen Claritas, the Vermont Emergency Shelter Grant Program, and the U.S. Census Bureau (housing vacancy estimates).

9 VHFA analysis of building permit data from the U.S. Census Bureau and the Vermont Directory of Affordable Rental Housing.

10 [American Community Survey 2005-7, Table S1801](#). US Census Bureau.

11 [Analysis of Impediments to Fair Housing](#). VT Department of Economic, Housing and Community Development. Page 11.

12 [Report for Calendar Year 2008](#). VT Interagency Council on Homelessness Information and Analysis subcommittee. May 2009. Page 3.

13 [2009 Point in Time Report](#). Vermont Coalition to End Homelessness. April 2009. Pages 3 and 7.



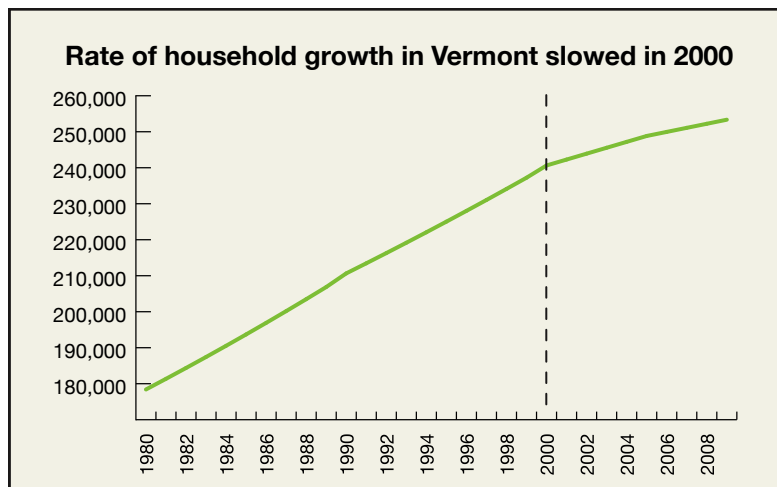
## DEMOGRAPHIC TRENDS AMONG VERMONT HOUSEHOLDS

### Summary

- The number of households living in Vermont continues to expand, but at a slower rate than the national average. Vermont's annual average growth rate now (1,400 households) is less than half that experienced during 1980-2000
- All of Vermont's household growth is due to expansion in the number of households headed by people who are at least 55 years old. The number of households headed by younger people is expected to fall slightly between 2009 and 2014.
- Vermont's high homeownership rate is expected to continue with the addition of an estimated 4,700 owner households between 2009 and 2014. An estimated 1,100 additional renter households are expected during this period.
- A persistent number of Vermont households have lower incomes (that are less than 80% of the median). An estimated 57% of the new households expected in Vermont between 2009 and 2014 will have lower incomes. This rate is likely to be even higher when focusing solely on new renter households. An estimated 84% of these new households are likely to have lower incomes.
- Vermont households are smaller than the national average by several measures. Fewer Vermont families are large and slightly more of the state's households are comprised of a single person.

## Slow growth in the number of Vermont households

As of 2009, an estimated 253,344 households live in Vermont. This represents about 1,400 new households in the state each year since 2000, or an average annual growth rate of 0.6% — slower growth than that experienced in the U.S. as a whole.<sup>1</sup> Prior to 2000, Vermont's population and number of households had been growing at a faster pace. Between 1980 and 2000, the number of households grew at an average annual rate of 1.5%. New households occur when grown children leave their parents' homes, through separations and divorce, and as households move into the state. Vermont's average household size decreased from 2.6 in 1990 to 2.4 in 2000.<sup>2</sup>

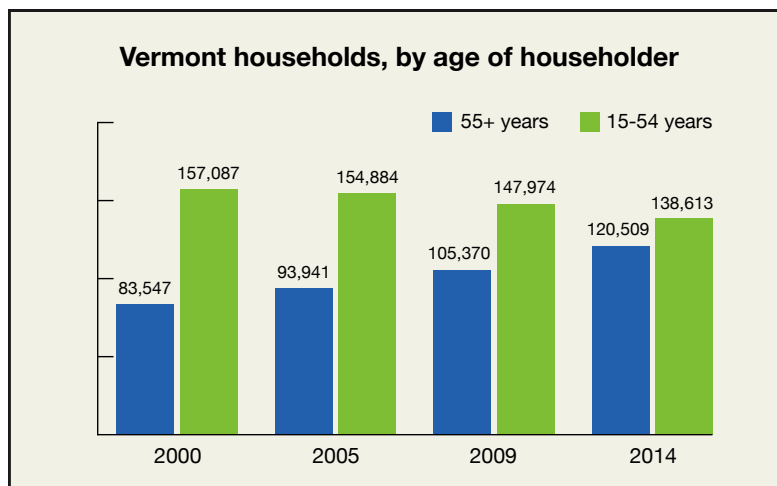


SOURCE: VHFA ANALYSIS BASED ON INFORMATION FROM U.S. CENSUS BUREAU — CENSUS OF POPULATION & HOUSING 2000 AND AMERICAN COMMUNITY SURVEY 2005 AND ESTIMATES PROVIDED BY NIELSEN CLARITAS.

## Vermont's growth is due to older households

Between 2009 and 2014, an additional 5,800 households are expected in Vermont. Householders aged 55 are fully responsible for this growth. The number of these households is expected to continue increasing in Vermont between 2009 and 2014. This trend is occurring nationwide, as the Baby Boom generation (born in 1946-64) approaches its senior years.

By contrast, the number of households led by someone younger is expected to decline between 2009 and 2014. By 2014, only an estimated 84,705 Vermont householders (33%) will be younger than 45 years old, as shown in the bottom tier of the graph on the following page.



SOURCE: VHFA ANALYSIS OF U.S. CENSUS BUREAU CENSUS 2000 SF1 TABLE P-21; AMERICAN COMMUNITY SURVEY 2005 TABLE 25007; AND NIELSEN CLARITAS ESTIMATES (2009, 2014).



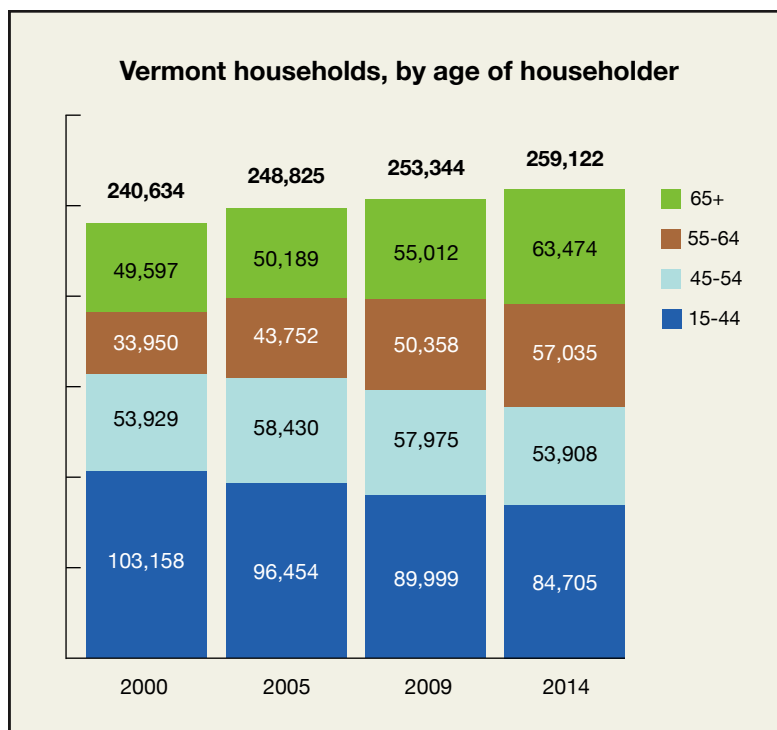
The convergence of these trends combined with other unique characteristics of the state's population have led Vermont to have the lowest birth rate in the nation. Vermont's birth rate is 10.4 births per 1,000 of population, compared with 14.2 for the U.S.<sup>3</sup>

### Vermont's high homeownership rate to continue

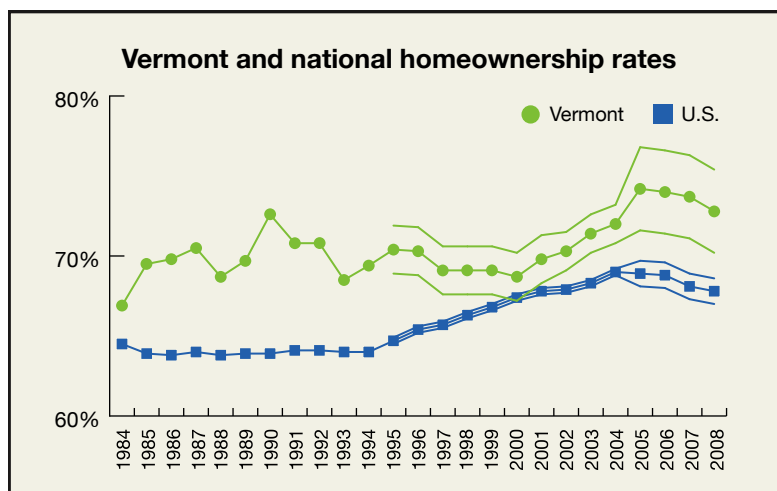
Since 2002, the portion of Vermont households owning their homes has remained above 70%. As with many rural states, Vermont's homeownership rate is consistently higher than the national average.

According to projections provided by Nielsen Claritas, most growth in Vermont between 2009 and 2014 will be among the state's home owners. By 2014, an estimated 4,680 new homeowners will live in Vermont. By contrast, the number of new renter households will be an estimated 1,100. An estimated 38% of these new owner households and 84% of these new renter households are expected to have lower incomes (less than 80% of the median).

The recent surge in foreclosures may propel some homeowners back to the rental market if they lose their home. Despite this uncertainty, the overall homeownership rate in Vermont is unlikely to change dramatically because the overall number of residential foreclosures is relatively small. For example, in 2006-2008, Vermont had 1,235 foreclosures per year on average (including homes and commercial properties). Assuming that:



SOURCES: VHFA ANALYSIS OF U.S. CENSUS BUREAU CENSUS 2000 SF1 TABLE P-21, AMERICAN COMMUNITY SURVEY 2005 TABLE 25007, AND NIELSEN CLARITAS ESTIMATES (2009, 2014).

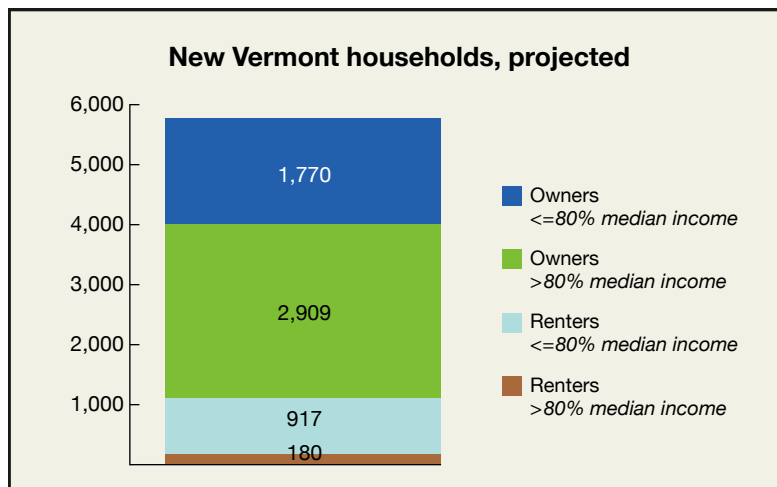


SOURCE: U.S. CENSUS BUREAU, HOUSING AND HOUSEHOLD ECONOMIC STATISTICS DIVISION, HOUSING VACANCIES AND HOMEOWNERSHIP ESTIMATES.

Note: Point estimates are marked with a symbol. For 1995-2008, 90% confidence intervals are shown by lines immediately above and below the point estimates for both Vermont and the U.S.

- All of these households switched from ownership to renting;
- Almost all foreclosures were residences; and
- This high level of foreclosure activity continues through 2011...

Vermont's homeownership rate would drop but not below 70% as an estimated 2,000 additional households shift to the rental market.<sup>4</sup> If foreclosure rates begin to decline before 2011, even fewer homeowners will return to the rental market.



SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS.

## IDENTIFYING HOUSEHOLDS WITH LOWER INCOMES

One way to identify lower income households is by comparing a household's income to the median income of all households in an area.<sup>5</sup>

Many housing programs restrict eligibility to households with total incomes of no more than 80% of the median income in the area. Other programs target households with even lower incomes by limiting eligibility to households with total incomes of no more than 50% or 30% of the area median.

For 2009, the median income of Vermont households is \$51,000, according to estimates provided by Nielsen/Claritas.

The following chart defines the income categories referred to throughout this fact sheet:

Median income	\$51,000
<=30% of median	\$0-15,000
31-50% of median	\$15,001-25,000
51-80% of median	\$25,001-41,000
81-95% of median	\$41,001-48,000
>95% of median	\$48,001+

Unlike the income ranges listed above which are based on the overall median income among all Vermont households, eligibility for HUD programs is computed using median income estimates that reflect the size of the household and the county in which the household is located. For this reason, the income ranges shown above do not directly mirror HUD program eligibility dollar limits.

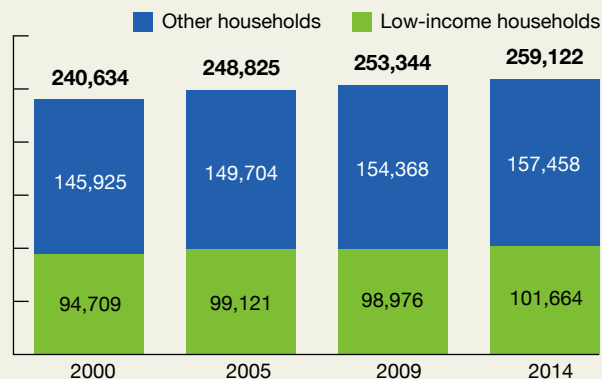
## A persistent number of Vermont households have lower incomes

As of 2009, an estimated 99,000 Vermont households have lower incomes, i.e. incomes at or below 80% of the state median. This number is expected to increase to almost 101,700 by 2014.

The higher a household's income, the more likely it is to own a home. Nevertheless, Vermont's high home ownership rate is also evident among lower income households. More lower income households (58%) in Vermont with incomes less than 80% of the median own rather than rent their homes. A substantial portion (44%) of these lower income owners are 65 or older. A total of 55,000 Vermont lower income households own their homes.

The remaining 44,000 Vermont low-income householders are renters. The majority (80%) of these households are headed by someone younger than 65.

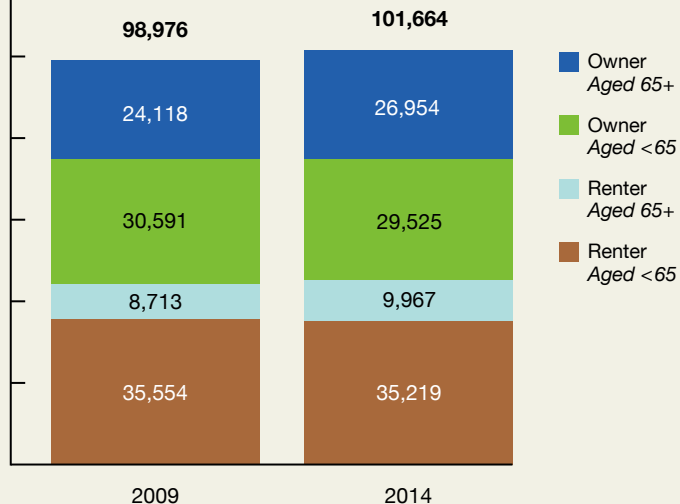
**Persistent number of lower income households in Vermont**



SOURCE: VHFA ANALYSIS OF ESTIMATES FROM THE U.S. CENSUS BUREAU'S CENSUS 2000 AND AMERICAN COMMUNITY SURVEY 2005 TABLE B19013, AND FROM NIELSEN CLARITAS (2009, 2014).

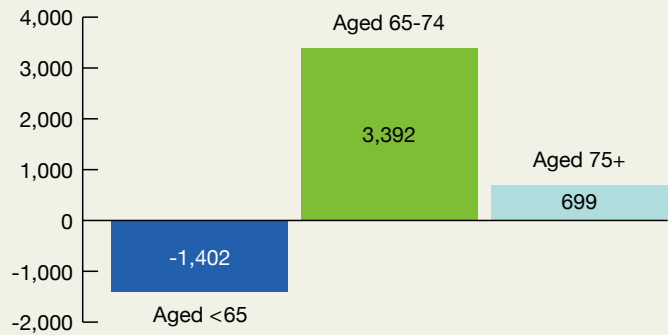
Note: Includes households with incomes at or below 80% of the state median income level.

**Estimated number of lower income Vermont households, by tenure and age**



SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS

**Change in number of lower income households expected between 2009-2014, by age of householder**



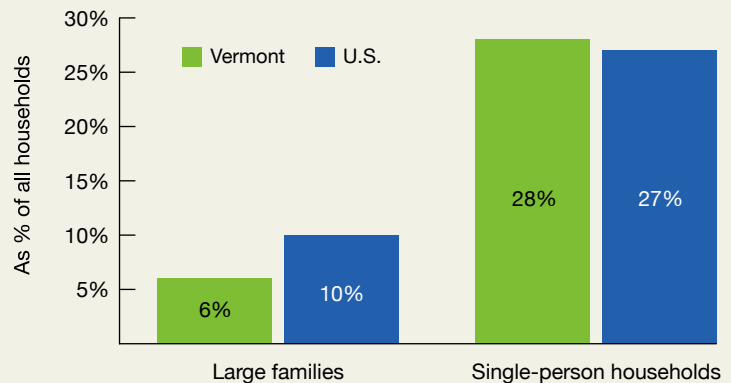
SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS

Note: Includes households at or below 80% of median income

## Fewer large families and more single-person households

Vermont households are smaller than the nationwide average, according to several indicators. An estimated 6% of all Vermont households are large families, compared to 10% in the U.S. A “large family” has 5 or more members, at least one of whom is related to the householder by birth, marriage, or adoption. About 28% of Vermont households are comprised of a single member, compared to 27% for the U.S.

**Prevalence of large families and single-person households**



SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2007, TABLES B25009 AND B11016. A FAMILY OF 5 OR MORE IS CONSIDERED “LARGE.”

- 1 State and County Quickfacts and 2007 American Community Survey, US Census Bureau. The number of households in the U.S. grew by 0.9% annually between 2000 and 2007.
- 2 Census 2000, Summary File 1, Table H12 and 1990 Census. US Census Bureau.
- 3 [Number of Births per 1,000 Population](#). Centers for Disease Control and Prevention, National Center for Health Statistics. 2006.
- 4 VHFA's analysis of [Vermont BISHCA foreclosure data through 2008](#) and household growth projections provided by Nielsen Claritas.
- 5 The median is the figure that occurs halfway down a list of figures that are sorted from smallest to largest, so that half of all the figures are higher than the median and half are lower.

## VERMONT'S HOUSING STOCK CHALLENGES

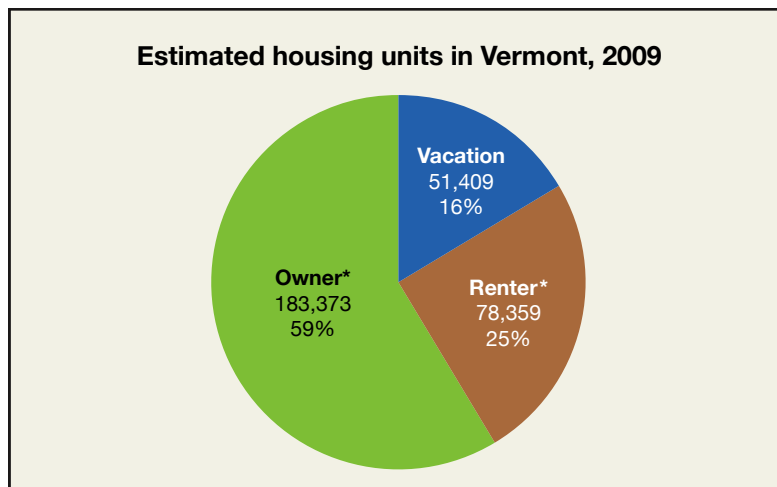
### Summary

- Vermont's housing stock is dominated by older, owner-occupied homes. An estimated 44% of the housing stock in 2009 is comprised of owner-occupied primary residence homes built before 1950.
- Many homes in the state are likely to contain lead-based paint due to the age of the stock and the small scale of public efforts to assist with hazard reduction.
- Many homes were constructed before high energy costs made many energy conservation practices and products cost effective. The availability of new technologies could cost-effectively reduce the energy burden for many Vermont families.
- The rate of Vermont home building has been extremely slow in recent years, due in part to the cost of development and other regulatory constraints. Only six states had slower rates of construction between 2007 and 2008.
- Relatively few homes in Vermont have been stricken by the wave of foreclosures sweeping the U.S. during the current recession. One cause is the relatively low level of subprime lending in Vermont earlier in the decade. For Vermonters who have suffered foreclosure recently, the most common reasons cited are job loss and income reduction.

## Types of homes in Vermont's stock

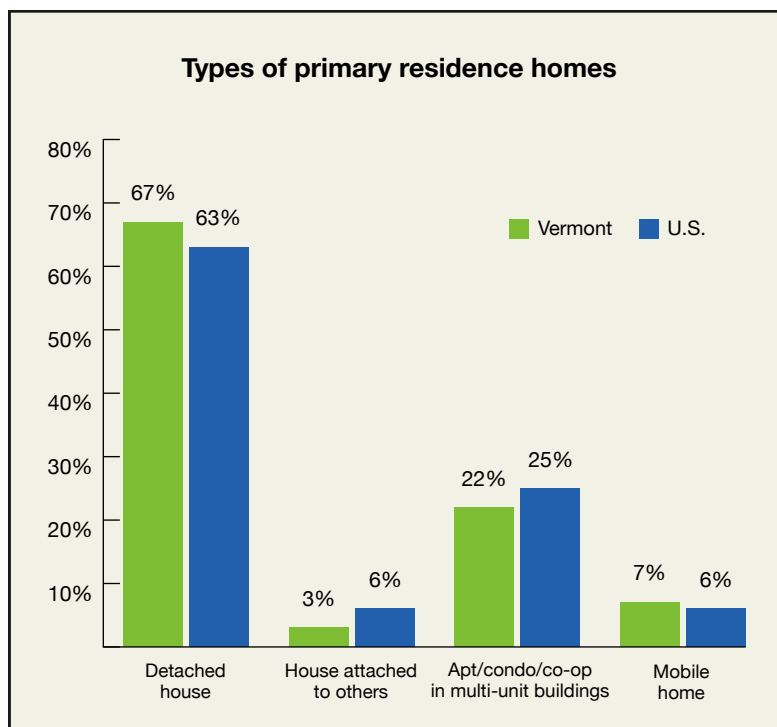
Vermont's housing stock is dominated by older, owner-occupied homes, with relatively few new homes built each year. The type of homes comprising Vermont's housing stock has remained largely unchanged in recent years. Seasonal homes comprise 16% of Vermont's housing stock, compared to 7% of the nation's homes overall.<sup>1</sup>

About 67% of Vermont's primary housing stock is composed of detached houses — somewhat more than the nationwide average of 63%. Attached homes, such as townhomes, and units in multi-unit buildings, such as apartments and condominiums, compose 25% of Vermont's stock, as compared the national average of 31%.



SOURCE: VHFA ANALYSIS BASED ON U.S. CENSUS BUREAU HOUSING UNIT ESTIMATES (TABLE HU-EST08-01), BUILDING PERMIT DATA AND AMERICAN COMMUNITY SURVEY 2005-7 TABLES B25003 AND B25004 AND ESTIMATES PROVIDED BY NIELSEN CLARITAS.

\*Renter and owner units are primary homes.



SOURCE: VHFA ANALYSIS OF ESTIMATES FROM U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2007, TABLE B25032. INCLUDES ALL HOMES THAT ARE OCCUPIED AS SEPARATE LIVING QUARTERS AND AS THE OCCUPANT'S CURRENT PLACE OF RESIDENCE, ASSUMING THEY ARE STAYING THERE FOR AT LEAST 2 MONTHS.



### A third of Vermont's housing stock built before 1950

A sizeable portion of Vermont's housing stock is comprised of older homes, with 33% built before 1950. Among rental homes, this percentage is even higher (43%).

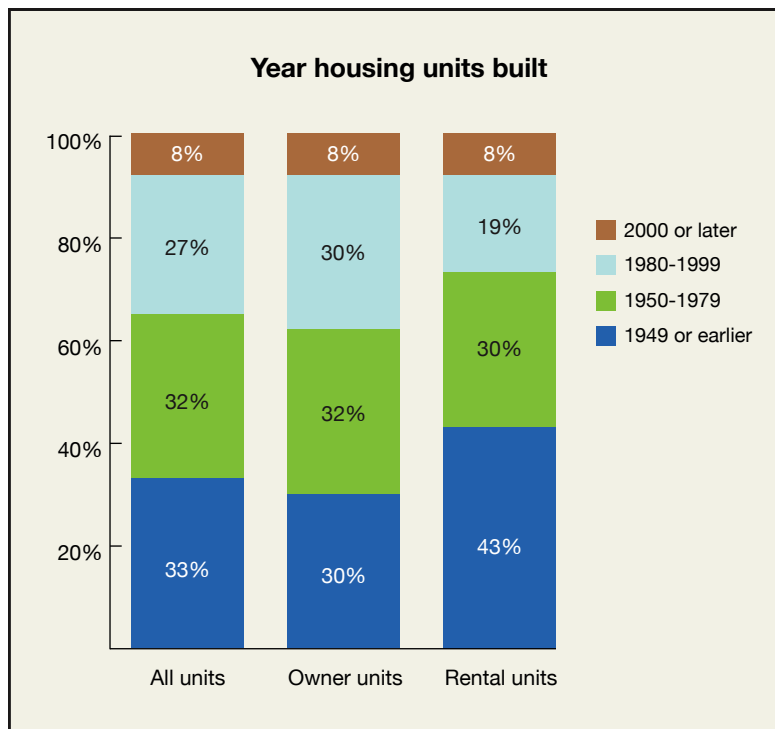
The median renter-occupied home in Vermont was built in 1959, while the median owner-occupied home was built fourteen years later in 1973.<sup>2</sup>

### Utilities in Vermont homes

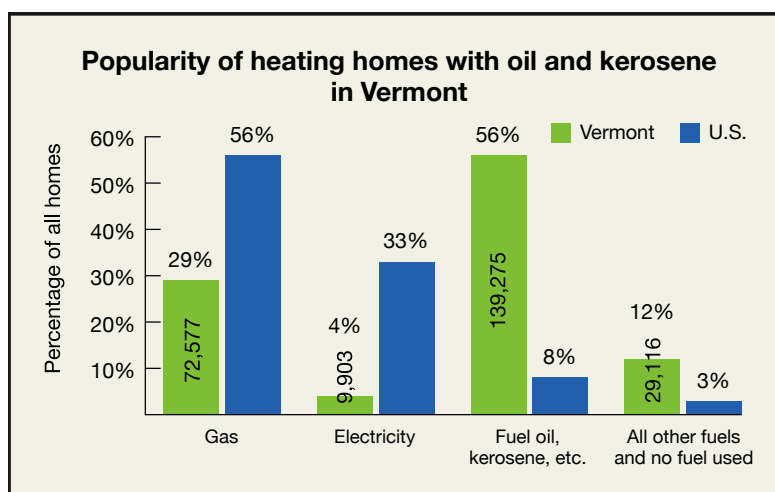
Many homes were constructed before high energy costs made many energy conservation practices and products cost effective. The availability of new technologies could cost-effectively reduce the energy burden for many Vermont families.

The most prevalent type of home heating in Vermont is fuel oil and kerosene. While heating only 8% of homes nationwide, oil and kerosene heat 56% of Vermont's homes. Like New England's other northern states Maine and New Hampshire, far fewer homes in Vermont are heated with natural gas, when compared to oil and kerosene. The cost of natural gas and electricity is regulated by the state while the market determines the price of fuel oil, kerosene and propane. There is higher potential for dramatic fluctuations in prices of fuel oil because of this.

The rising cost of home heating oil hits states like Vermont especially hard. According to the U.S. Energy Information



SOURCE: VHFA ANALYSIS OF ESTIMATES FROM U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2007, TABLE B25036



SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7 TABLE C25117

Note: "Gas" includes utility gas and bottle, tank, or LP gas. "All other fuels" includes coal, coke, wood, solar, and other fuels.

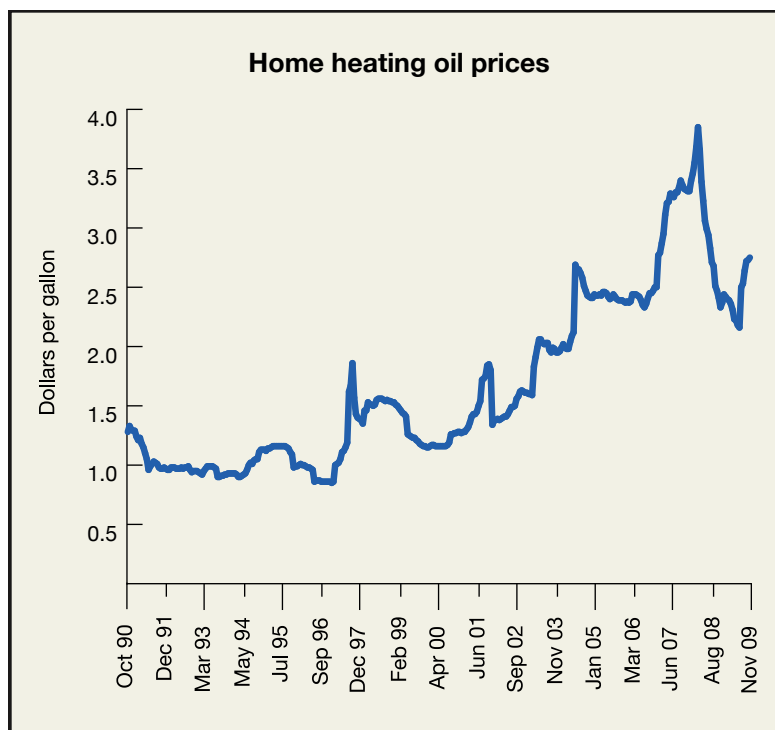
Administration, home heating oil prices have more than doubled during the past 10 years.

### Lead-based paint is Vermont's most prevalent housing quality problem

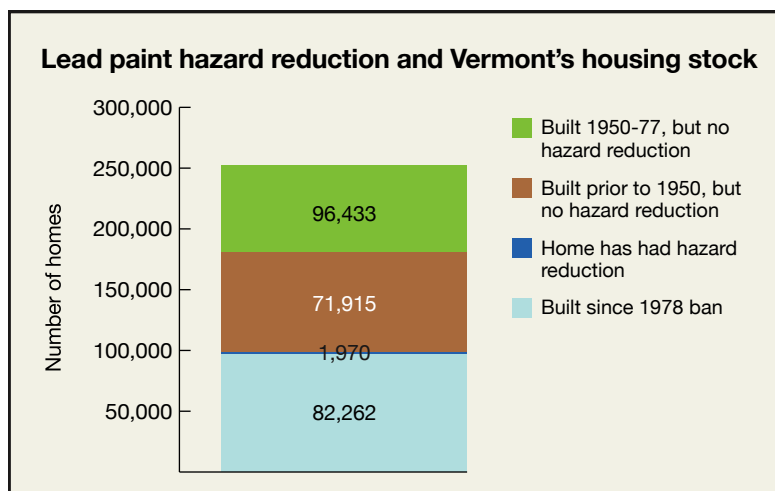
Approximately 62% of Vermont's residential housing stock was built before 1978 when lead was banned in residential paint. Of these potentially lead painted homes, about 84,000 were built before 1950 when lead-based paint was commonly used and actively promoted.<sup>3</sup>

As of March 2009, about 1,970 households lived in homes that received lead-based paint hazard reduction assistance through the Vermont Housing and Conservation Board and the City of Burlington. The health risks of the households in these units have been dramatically reduced through these programs. However, the unmet need for lead paint hazard reduction is high. An estimated 82,000 Vermont homes built before 1950 continue to contain lead-based paint. About 65% of these homes are owner occupied, while the remaining 35% are rental units. It is also likely that many of the 72,000 renter and owner occupied homes built later, between 1950 and 1978, also contain lead-based paint.

In addition to lead paint hazard reduction assistance, the state of Vermont also helps property owners reduce lead exposure in housing built before 1978 by offering training in "Essential Maintenance



SOURCE: U.S. ENERGY INFORMATION ADMINISTRATION



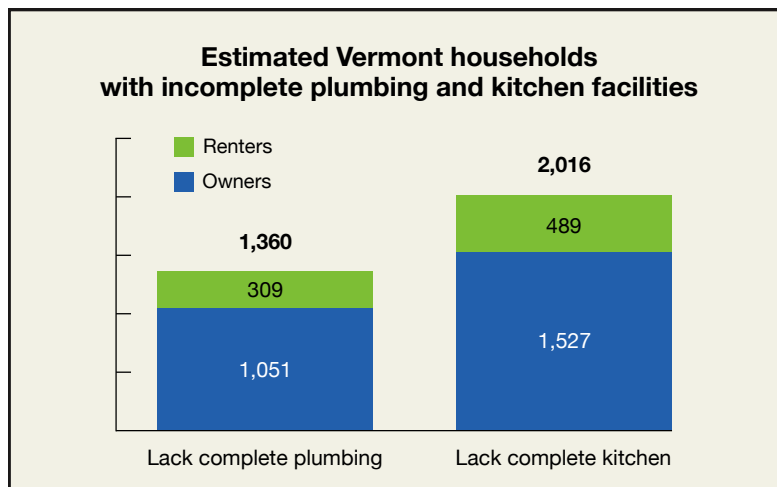
SOURCE: VHFA ANALYSIS OF ESTIMATES FROM U.S. CENSUS BUREAU AMERICAN COMMUNITY SURVEY 2007 TABLE 25036 AND LEAD PROGRAM ACTIVITY STATISTICS AS OF MARCH 2009 PROVIDED BY VERMONT HOUSING AND CONSERVATION BOARD (WHICH INCLUDE BURLINGTON LEAD PROGRAM ACTIVITY).

Practices.” Every year, owners of pre-1978 housing are required to submit a certification to the state that they have completed these practices, which help reduce exposure to potential lead-based paint. As of June 2009, about 3,000 of these certifications had been filed by Vermont property owners.<sup>4</sup>

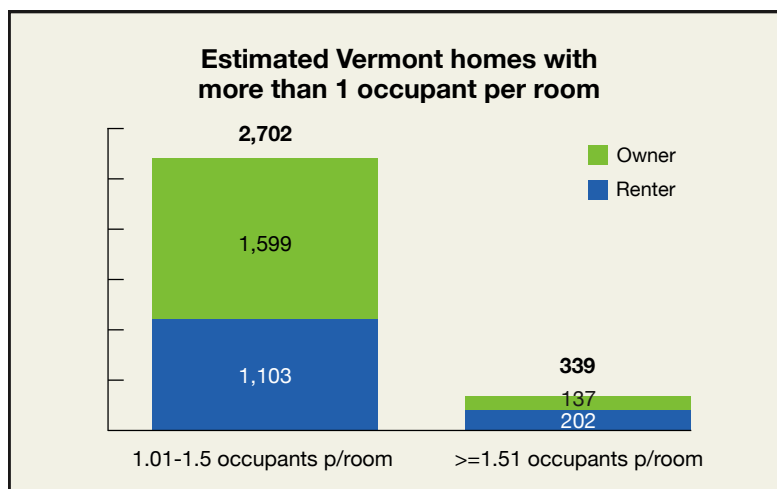
Lead paint is the leading cause of learning problems in children, according to Vermont’s Child Poverty Council.<sup>5</sup> As of 2005, an estimated 3% of one- to five-year olds in Vermont tested positive for lead levels of 10 ug/dl or more — a level considered unsafe.<sup>6</sup> The state’s goal is to fully eliminate childhood lead poisoning. The incidence of elevated lead levels among young children in Vermont is about the same as the nationwide average, according to data collected by the U.S. Center for Disease Control.<sup>7</sup>

Although not nearly as prevalent as lead based-paint, inadequate kitchen and plumbing facilities are also an indication of substandard housing conditions that may be potentially dangerous or have an adverse affect on a household’s health. About 2,000 homes in Vermont lack complete kitchen facilities and about 1,500 lack complete plumbing facilities. These homes comprise less than 1% of the state’s occupied housing stock.

While lacking plumbing and kitchen facilities are the Census Bureau’s indicators of inadequate or substandard housing, those familiar with Vermont’s diverse living conditions know that unfortunately these estimates barely



SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2007, TABLE 25053 AND 25049.



SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLE B25014.

*Note: Rooms include all year-round rooms in the home, except bathrooms, utility rooms, halls, foyers, balconies, half-rooms, strip or pullman kitchens, and unfinished space.*

scratch the surface in terms of capturing the number of substandard housing units in Vermont.

An estimated 3,041 Vermont households live in overcrowded conditions, with more than one occupant per room in the home. An estimated 339 of these households live in severely overcrowded housing, with more than 1.5 occupants per room, as shown above.

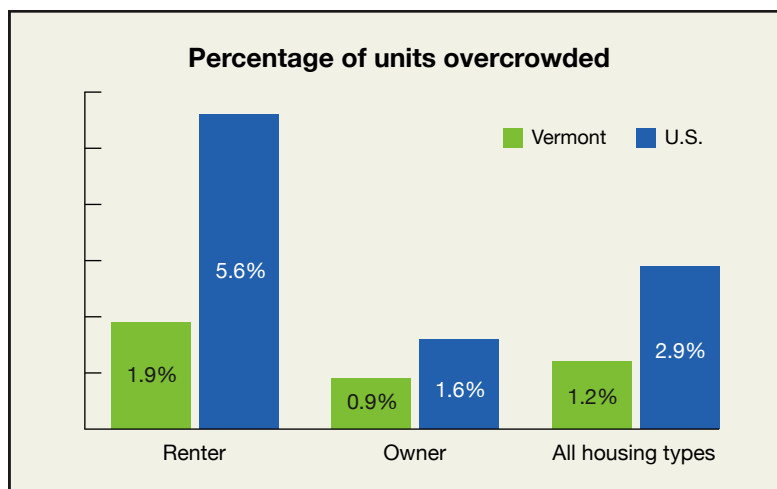
Overcrowded Vermont homes comprise 1.2% of the state's total housing stock—substantially less than the 2.9% rate prevalent nationwide.

### Slow growth in Vermont housing units

Vermont's already slow pace of housing unit growth slowed even further when the current economic decline began. Between 2000 and 2005, the stock grew by an average pace of 0.8% with an estimated 2,500 homes added each year. The housing downturn slowed growth during 2005-9 to an estimated average pace of 0.5% (or roughly 1,500 homes) annually. In total, Vermont's housing stock increased by an estimated 1.9% (roughly 5,900 homes) from 2005 to 2009. Between 2007 and 2008, Vermont's rate of growth was only half the national average. Only six states had slower growth rates.<sup>8</sup>

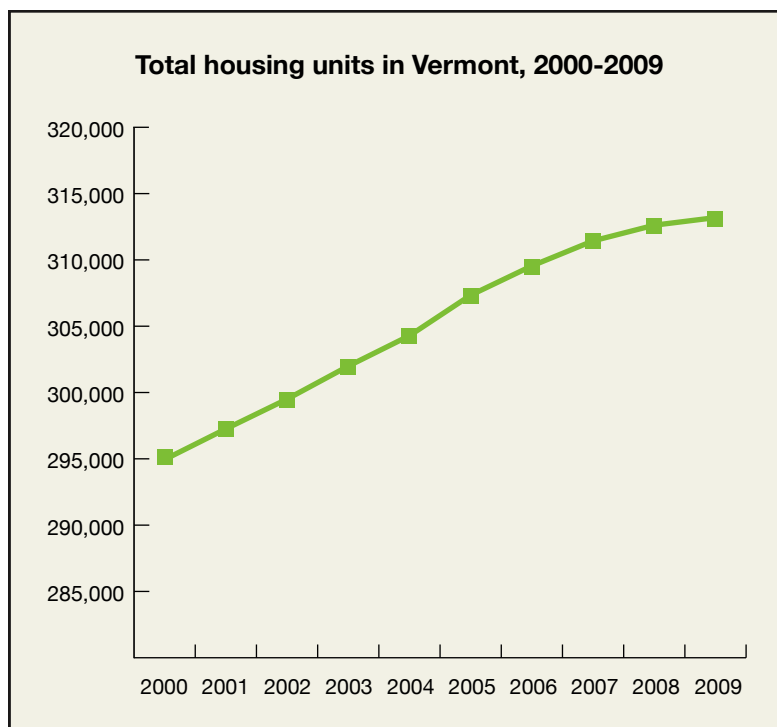
Between 2005 and 2008, about 675 primary homes were sold and converted to vacation homes each year. Conversely, about 400 vacation homes were sold and converted to primary homes each year. The net annual impact of these conversions was a reduction of the primary housing stock in Vermont by about 275 homes.<sup>9</sup>

One bright spot to this is that considering Vermont's tight vacancy rate and low proportion of speculative building, some have credited the slow growth in the state's housing units as helping to buffer Vermont from the worst of the



SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2007, TABLE B25014.

Note: Units with more than one occupant per room are considered "overcrowded."



SOURCE: U.S. CENSUS BUREAU HOUSING UNIT ESTIMATES (2000-8), VHFA ESTIMATE BASED ON BUILDING PERMIT DATA (2009)

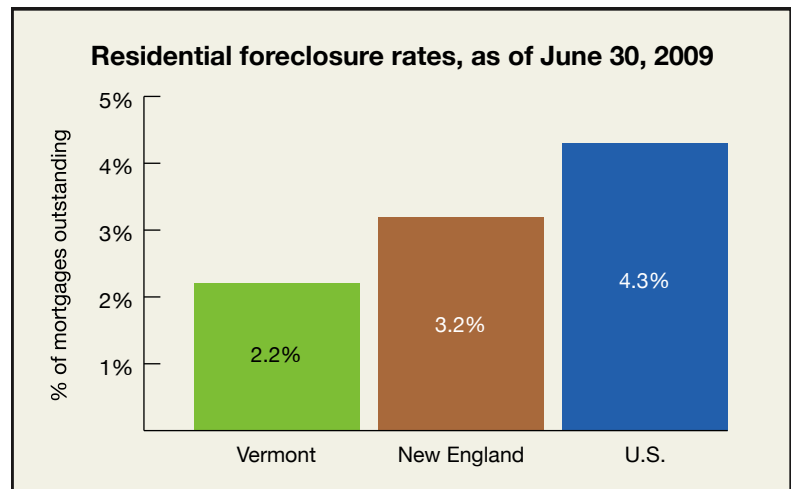
foreclosure crisis felt in other states with high inventory.<sup>10</sup>

### Foreclosure and subprime crisis affects far fewer Vermont homes than elsewhere

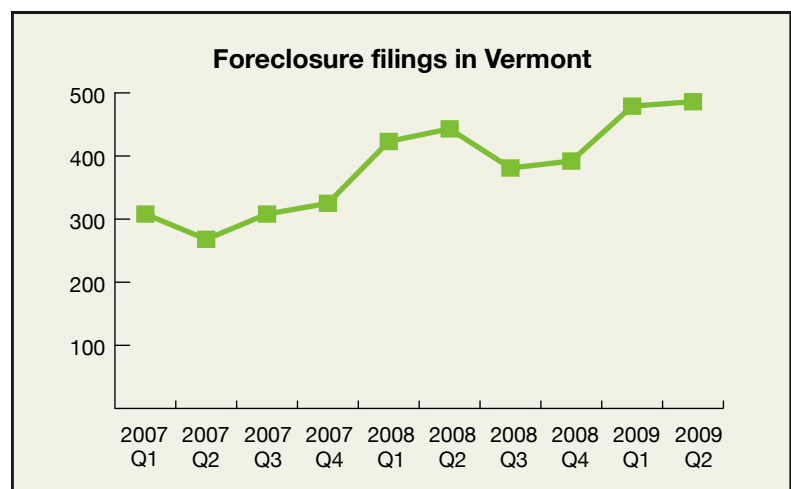
Relative to the U.S. as a whole and many other states, the portion of Vermont's housing stock experiencing the wave of foreclosures moving across the U.S. is low. Of the first-lien home mortgages outstanding at the end of June 2009, 2.2% were in foreclosure in Vermont, compared to New England's rate of 3.2% and the U.S. rate of 4.3%.

Despite Vermont's success in avoiding the worst of the national mortgage crisis, making mortgage payments is difficult for an increasing number of Vermonters suffering loss of income through unemployment or work hour reductions resulting from the recession. The number of foreclosures has risen fairly steadily in Vermont since 2007, according to the Vermont Department of Banking, Insurance, Securities and Health Care Administration (BISHCA). Job loss and income reduction are the reasons for foreclosure cited most frequently by Vermonters accessing BISHCA's Mortgage Assistance Program.

Vermont's low foreclosure rate is correlated in part with the low rate of subprime lending that took place in recent years. Vermont has far fewer subprime loans for owner-occupied homes than neighboring states. As of May 2009, approximately 7.9% of every



SOURCE: MORTGAGE BANKERS ASSOCIATION, DATA FROM THE MORTGAGE DELINQUENCY SURVEY, 2ND QUARTER 2009.



SOURCE: VERMONT DEPT. OF BANKING, INSURANCE, SECURITIES, AND HEALTH CARE ADMINISTRATION, "[VERMONT FORECLOSURE DATA BY COUNTY](#)"

1,000 owned homes in Vermont had a subprime loan. The next lowest subprime rate in New England is Maine with 13.2%.<sup>11</sup>

Some reports have credited the state's tight land-use laws and banking regulations with curtailing the number of subprime loans made in Vermont.<sup>12</sup> Since the mid-1990s, mortgage brokers are subject to state fiduciary responsibilities and lenders are

required to provide detailed disclosures, particularly when mortgage loans have interest rates above state adjusted thresholds.

## **Policies impacting cost and development of housing**

The following policies affect the cost of housing and the incentives to develop, maintain, or improve affordable housing in Vermont:

### ■ *Limited public resources limit housing for low-income Vermonters*

- Much housing development has been focused on homeownership options for Vermonters, and those homes are typically out of reach for lower income households. The median price of a newly constructed home in Vermont was \$270,000 in 2008, requiring an annual income of about \$85,000 and \$18,000 in closing costs.
- Public funding for housing development (homeownership and rental housing) is over subscribed and many eligible housing developments are not awarded funds due to lack of available resources. The investment market for the largest source of rental housing funding, the Low Income Housing Tax Credit, has shrunk during the recession, leaving less equity available for developments. Existing assisted housing units have low vacancies and long waiting lists. The waiting list for a rental assistance voucher in Vermont is often several years long.

### ■ *Vermont Housing and Conservation Trust Fund*

- The property transfer tax is levied on the transfer of all real estate in Vermont, based on the sales price, which adds to the cost of housing. The state's Housing Trust Fund is administered by the Vermont Housing

and Conservation Board and funds non-profit housing developers who create permanently affordable housing for lower income Vermonters, creating an incentive for development. Since fiscal year 2001, statute requires the proceeds of this tax to be spent on affordable housing, conservation and regional planning, although since 2002 the fund has received \$38.6 million less than the formula amount, reducing the funding available to encourage development.

### ■ *Commitment to permanent affordability*

- Four programs require permanent affordability in return for public funds, as administered by Vermont agencies: the HOME program, Community Development Block Grant, the Housing Trust Fund and federal Low Income Housing Tax Credits.

### ■ *Act 250 and land use controls*

- Act 250 provides “a public, quasi-judicial process for reviewing and managing the environmental, social and fiscal consequences of major subdivisions and development in Vermont through the issuance of land use permits.”<sup>13</sup> Supporters cite this as an important tool against unchecked development and sprawl while critics say it lacks predictability and increases costs ultimately passed on to residents.

### ■ *Legislation to allow affordable housing statewide*

- In 2003, the State Legislature passed legislation which mandated every municipality in Vermont to allow accessory dwelling units under certain conditions. According to the Vermont Department of Economic, Housing and Community Development, “changes to Vermont’s law on equal treatment of housing and town bylaws created a new opportunity for homeowners to add an apartment to



their house... The overriding state law says homeowners must be allowed to add one Accessory Dwelling Unit as a permitted use..." as long as certain criteria are met.<sup>14</sup>

- This same legislation authorized that local bylaws may require that a certain percentage of housing units in planned development meet defined affordability standards.

#### ■ *Designated areas for growth*

- There are five designations communities can apply for to encourage development according to smart growth principles: Designated Downtowns, Designated Village Centers, New Town Centers, Growth Centers, and Vermont Neighborhoods. Each has unique characteristics, goals and incentives to support housing development.

#### ■ *Impact fees*

- While not a statewide fee or policy, some communities in Vermont charge sewer and water hook up or school impact fees for new residential construction. Municipalities contend that these fees are necessary to cover the costs of increased development, while critics complain that they drive up the cost of housing.

#### ■ *Density bonuses*

- While not a statewide fee or policy, several Vermont communities have density bonuses that reward the development of affordable housing. According to HUD, "Density bonus ordinances permit developers to increase the number of units allowed on a piece of property if they agree to restrict the rents or sales prices on some of the units. Developers can use the additional cash flow from these bonus units to offset the reduced revenue from the affordable units."<sup>15</sup>

#### ■ *Large lot sizes*

- Although construction costs make up about 70% of the total cost, the cost of developing housing is also driven by the cost of land. Local zoning ordinances that require large lot sizes, and the lack of public sewer in the vast majority of the state coupled with state sewage laws, depress the construction of affordable housing. While not a statewide policy, these minimum standards are in effect in many municipalities.

#### ■ *Standards for health and habitability*

- A variety of standards for health and habitability exist in Vermont, enforced by either a funding source or through federal, state, or local adoption and interpretation of building codes and standards. These cover a variety of areas including handicapped accessibility, lead safety, historic preservation, fire safety, septic, habitability and others. These have the potential to add both cost and value to a property.

#### ■ *State housing tax credit benefits to Vermonters*

- The State of Vermont has an annual allocation of \$400,000 of State Affordable Housing Tax Credits, which may be used for affordable rental housing projects. This credit is available to projects which qualify for the federal Housing Credit and have received community support. These credits efficiently raise private equity to create affordable rental housing and home ownership opportunities. Housing developers may also be able to use other state tax credits for building in downtowns and village centers and for historic preservation.

#### ■ *Tax benefits for assisted housing*

- Act 68, passed in 2003, divided all Vermont properties into homestead (residential) and

non-homestead (non-residential) properties. Since assisted housing projects are classified as non-homestead, the law allows certain subsidized housing properties to reduce their assessment and effective tax burden.

- Act 75, passed in 2005, required local property tax assessors to value housing projects subject to affordability covenants using an income method as opposed to full market value. The intent was to recognize that affordable properties have a reduced value because of the limited rental payment potential.

#### ■ *Design and community development standards*

- Public resources, as administered by Vermont housing agencies, often require certain design

features or standards in developments. These requirements are intended to make units more marketable, accessible, energy efficient, and improve the quality of life for residents. The tradeoff is that sometimes they require more initial investment, increasing the cost of development.

- Vermont-based research done in 2000 shows that “multiple community development objectives, such as rehabilitating historic downtown buildings and/or abating environmental hazards, can add up to 40% to the typical cost per square foot. Special funding sources are used to address such non-shelter objectives. These special sources appear to equalize costs between ‘shelter only’ and developments serving multiple objectives.”<sup>16</sup>

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- 1 The primary source of estimates on the number of seasonal homes in Vermont is the U.S. Census Bureau’s American Community Survey, which defines seasonal homes as homes occupied for two or fewer months of the year, intended only for use on weekends or during specific seasons.
  - 2 *American Community Survey 2005-7, Table 25037*. US Census Bureau.
  - 3 *Get the Lead Out of Vermont*. Vermont Attorney General and Health Department. February 2007. Page 6.
  - 4 Office of the Attorney General of Vermont. September 2009.
  - 5 *Improving the Odds for Kids*. Vermont Child Poverty Council. January 29, 2009. Page 54.
  - 6 *2008 Health Status of Vermonters*. Vermont Department of Health. March 2008. Page 14.
  - 7 *Number of Children Tested and Confirmed EBLs by State, Year, and BLL Group, Children < 72 Months Old*. US Center for Disease Control.
  - 8 *Estimates of Housing Unit Change for the United States and States, and State Rankings: July 1, 2007 to July 1, 2008*. US Census Bureau.
  - 9 Averages for 2005-8 based on VHFA analysis of Vermont Property Transfer Tax data which classifies home use as “primary” or “vacation” based on whether the buyer intends to use the home as their primary residence.
  - 10 *Vermont Mortgage Laws Shut the Door on Bust — and Boom*. Gary Fields, Wall Street Journal. August 2009.
  - 11 FirstAmerican CoreLogic, *Loan Performance Data*.
  - 12 *Vermont Foreclosures Held Off by Yankee Ways, Land Use Laws*. Brian K. Sullivan, Bloomberg News. January 2009. and *Vermont Mortgage Laws Shut The Door on Bust — and Boom*. Gary Fields, Wall Street Journal. August 2009.
  - 13 <http://www.anr.state.vt.us/dec/permits.htm#act250>
  - 14 [http://www.dhca.state.vt.us/Housing/accessory\\_aps.pdf](http://www.dhca.state.vt.us/Housing/accessory_aps.pdf)
  - 15 <http://www.huduser.org/rbc/newsletter/vol2iss4more.html>
  - 16 Housing Development Costs in Vermont. Capital Needs Unlimited. April 2000. Page 1.

## AFFORDABLE HOMEOWNERSHIP OPTIONS FOR LOWER INCOME VERMONTERS

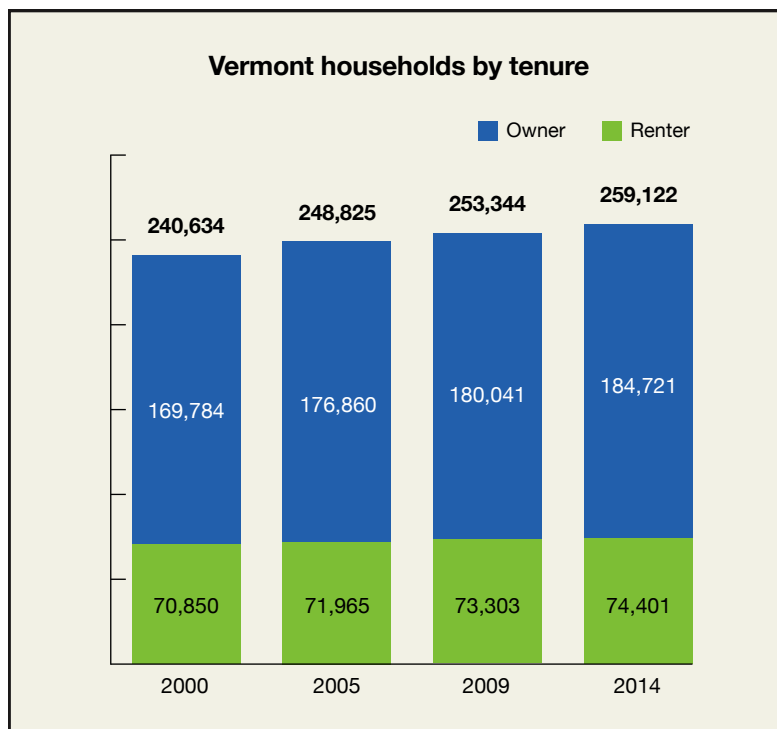
### Summary

- Vermont's homeownership rate is consistently higher than the national average (by five percentage points in 2008), like many predominantly rural and racially homogenous states.
- Even among lower income Vermonters, homeownership is more common than renting. About 30% of Vermont's homeowners are lower income households with incomes at or below \$41,000 (80% of the state median).
- About 26,000 lower income Vermont households own their homes and have mortgages. An estimated 82%, or 21,000, of these households have mortgage payments and other housing expenses that consume more than 30% of their incomes. About 7,000 of these households pay more than 50% of their incomes for their mortgage and other housing expenses.
- Lower income home buyers face a very limited supply of affordable homes. Only about 18% of the homes sold in 2008 were at prices affordable to the many households with incomes lower than \$41,000.
- The current recession has prompted a fall in the number of building permits issued, homes sold, and median purchase prices. Nevertheless, Vermont will likely need construction of about 8,000 owner homes between 2009 and 2014, if current owner household growth projections hold true. Building these new units will require a pre-recession pace of construction.

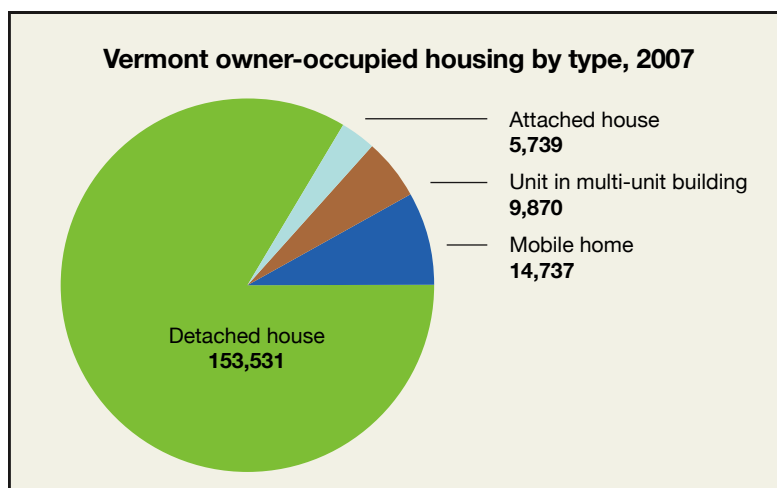
## Number of owner households continues to grow

More than 70 percent of all Vermont households own their homes, ranking Vermont among the ten states with the highest homeownership rates. As of 2009, an estimated 180,000 households owned homes in Vermont. An additional 4,680 households will likely join the ranks of Vermont homeowners by 2014.<sup>1</sup>

Vermont's owner households live predominantly in detached houses, although mobile homes also comprise a sizeable portion of the owner housing stock (8%).



SOURCES: VHFA ANALYSIS OF U.S. CENSUS BUREAU CENSUS 2000 SF1 TABLE H-4, AMERICAN COMMUNITY SURVEY 2005 TABLE 25003, AND NIELSEN CLARITAS ESTIMATES.



SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2007, TABLE 25032

## IDENTIFYING HOUSEHOLDS WITH LOWER INCOMES

The following table describes income categories that relate a household's income to the median income among all households in the state.<sup>2</sup> For 2009, the median income of Vermont households is \$51,000, according to estimates provided by Nielsen Claritas.

Median income	\$51,000
<=30% of median	\$0-15,000
31-50% of median	\$15,001-25,000
51-80% of median	\$25,001-41,000
81-95% of median	\$41,001-48,000
>95% of median	\$48,001+

Throughout this report, households are grouped by income into these groups. The term "lower income household" refers to all households with income less than 80% of the median, or \$41,000.

## What is counted as "household income" in this report?

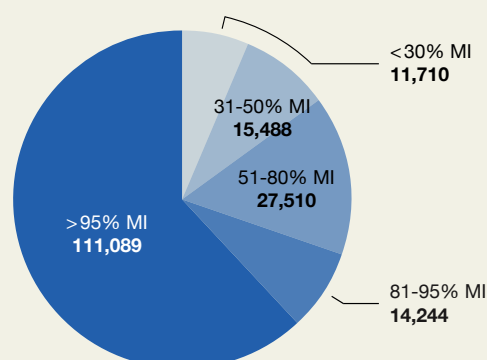
COUNTED as income	NOT COUNTED as income
Amounts reported separately for wage or salary income	Capital gains
Net self-employment income	Money received from the sale of property (unless the recipient was engaged in the business of selling such property)
Interest, dividends, or net rental or royalty income or income from estates and trusts	The value of income "in kind" from food stamps, public housing subsidies, medical care, employer contributions for individuals, etc.
Social Security or railroad retirement income	Withdrawal of bank deposits
Supplemental Security Income (SSI)	Money borrowed
Public assistance or welfare payments	Tax refunds
Retirement, survivor, or disability pensions	Exchange of money between relatives living in the same household
All other income	Gifts and lump-sum inheritances Insurance payments

SOURCE: [U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2007 SUBJECT DEFINITIONS.](#)

Homeownership is more common in Vermont than renting even among households with lower incomes. Approximately 55,000 of the 100,000 Vermont households with incomes less than \$41,000 (80% of median) owned their homes in 2009. These lower income households comprise 30% of all Vermont owner households.

By 2014, an additional 1,770 owner households with incomes at or below 80% of median are expected to live in Vermont.

**Estimated number of owner households by income group, 2009**



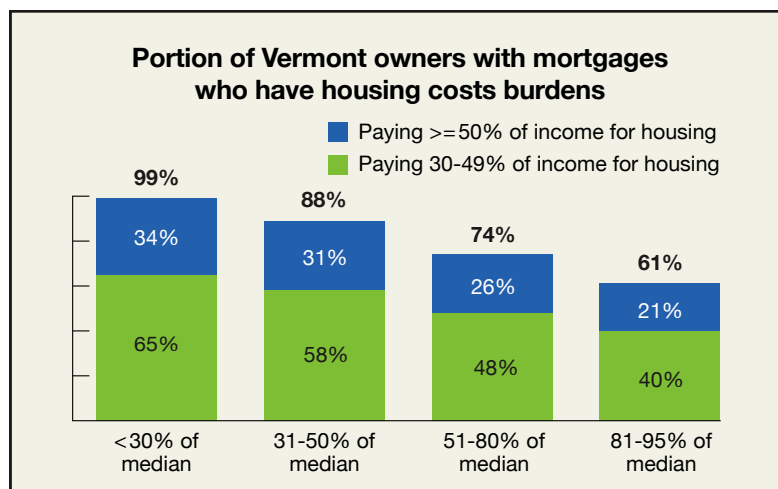
SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN/CLARITAS.

Note: "MI" refers to "median income."

Consistent with a national pattern, about two-thirds of all Vermont home owners have outstanding home mortgages. Among lower income homeowners (with incomes below \$41,000), the percentage is somewhat lower — an estimated 46-47% of lower income homeowners in VT (and the U.S.) are paying off mortgages.<sup>3</sup> Many homeowners who fall in to the “lower income” category but have no mortgages are likely to be elderly households who have remained in the same home for years, paid off their mortgages, and live on limited incomes and/or assets.

### 21,000 lower income homeowners lack housing they can afford

An estimated 21,000 lower income Vermont mortgaged home owners lack housing they can afford due to high mortgage payments, property taxes, insurance and utility costs relative to their incomes. For these households, whose incomes are less than \$41,000 (80% of the median), their mortgage payment and other housing expenses absorb more than 30% of their income. About 7,000 of these households pay an alarming 50% or more of their incomes for their mortgage and expenses, leaving them with few resources for other necessities. They have little buffer against unanticipated income declines, home repair costs, or other family emergency expenses. Also, “housing costs” include variable factors such as utilities and taxes which can fluctuate from year to year without a corresponding increase in



SOURCE: VHFA ANALYSIS OF AMERICAN COMMUNITY SURVEY 2005-7, TABLES 25101 AND 25091.

income.<sup>4</sup> While renters may be able to move to a more affordable unit when such variable factors increase or income decreases, homeowners face higher transaction costs of moving.

Cost-burdened homeowners with low incomes and outstanding mortgages face serious financial risks. They are much more likely to have difficulty making mortgage payments than their higher income counterparts or comparable households with affordable mortgages. They are also at higher risk of foreclosure and of foregoing other essential goods and services, such as food, child care, and health care should their income decline unexpectedly.

### Demand for homes with affordable prices exceeds supply

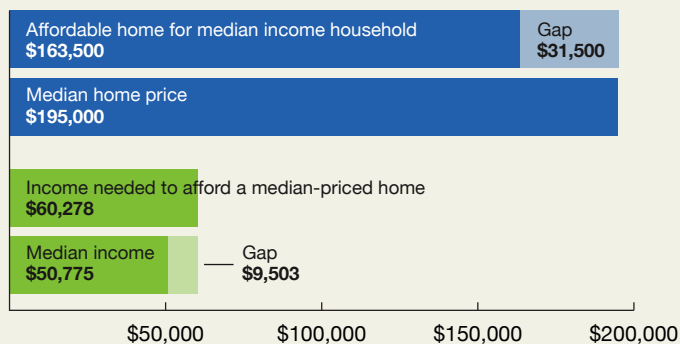
The median price of a home sold in Vermont in January through June 2009 was \$195,000.<sup>5</sup> Although this represents a decline of 3% relative to the prior six-month period, households with incomes at the median are not likely to be able to afford a median priced Vermont home. For these households, the gap between the purchase price they can afford (meaning their mortgage, taxes, and insurance payments are limited to 30% of their income) and the median home price is \$31,500, as shown on the upper set of bars in the graph on the following page. The lower set of bars illustrate



the difference between the annual income a household would likely need to purchase a median priced home (\$60,000) and the median income level in Vermont (\$51,000) — an income gap of \$9,503.<sup>6</sup>

For the many households with incomes less than \$51,000, this gap is even greater. Households with incomes of \$41,000 (80% of the median) would need a monumental down payment of about \$57,000 to afford a median priced home while keeping their mortgage payments affordable. Such a gap prompts lower income households to remain renters or to take on unaffordable mortgage and housing expense commitments.

### Comparing Vermont's median home prices and income with affordable prices, 2009



SOURCE: VHFA ANALYSIS OF FREDDIE MAC'S AVERAGE INTEREST RATE LOAN IN JUNE 2009 FOR A 30-YEAR MORTGAGE, A 5% DOWN PAYMENT, AVERAGE STATEWIDE PROPERTY TAXES, PROPERTY INSURANCE, PRIVATE MORTGAGE INSURANCE, CLOSING COSTS AND A 30-PERCENT HOUSING PAYMENT RATIO. AVERAGE PROPERTY TAX ASSUMPTIONS DO NOT INCLUDE INCOME SENSITIVE TAX REBATES THAT QUALIFYING HOUSEHOLDS RECEIVE.

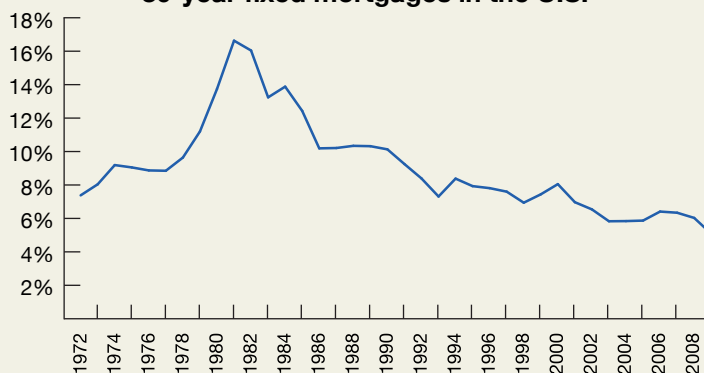
### HOME PURCHASE AFFORDABILITY DEPENDS HEAVILY ON INTEREST RATES

When interest rates decline, the range of homes affordable for the average household expands. Since 1981, average interest rates for a 30-year fixed rate mortgage have trended downward.

While the general decline in interest rates improved options for Vermonters purchasing homes in recent years, many home owners do not share in this good fortune. Not all households who purchased homes during higher interest rate periods are able to refinance their mortgages, if their credit standing or home value deteriorate. Similarly, some home buyers in the current market cannot afford to refinance due to the unusually high fees currently being

charged. Furthermore, they may not qualify for the same low interest rates as the general population if they have credit problems or other unique circumstances that increase their risk to lenders.

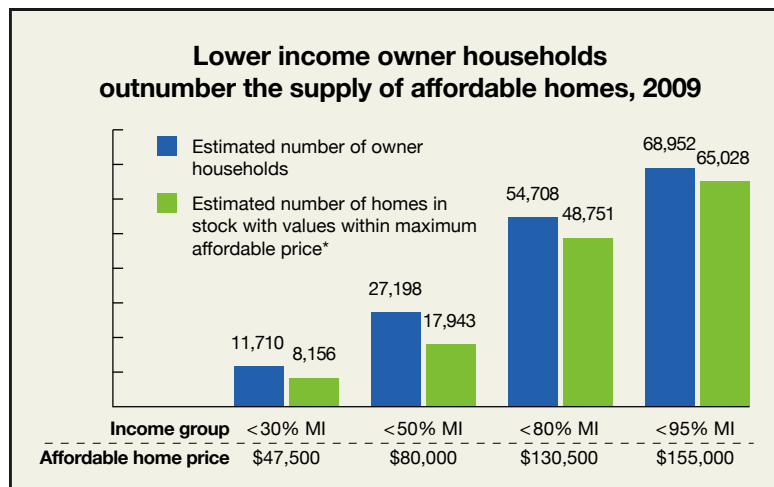
### Average interest rates for 30-year fixed mortgages in the U.S.



Since lower income owner households outnumber the supply of affordable homes, it is no surprise that many pay more than 30% of their incomes for housing. For example, the 27,000 owner households with incomes less than \$25,000 (50% of the median) are likely to be able to afford the mortgage on a home costing up to \$80,000. However, there are only approximately 18,000 homes in Vermont's owner housing stock with values in this range.<sup>7</sup> Some of these households may have bought their homes before values rose to current levels and may have paid off much of their mortgages. However, most lower income home owners are cost burdened by their housing expenses, indicating a widespread mismatch between homeownership costs and incomes.<sup>8</sup>

The number of affordable homes for sale is extremely limited for any lower income household entering Vermont's home purchase market. Only about 18% (or 900 homes) of the primary homes sold in 2008 were at prices a household earning \$41,000 (80% of median) could likely afford.

In light of the limited purchase opportunities for lower income households, affordable financing options are very important. The U.S. Department of Agriculture's Guarantee and 502 Program helped 191 mostly lower-income households purchase homes in 2008. In addition, community land trusts and other housing organizations have developed an estimated 900 resale-restricted single family homes targeted



SOURCE: VHFA ANALYSIS OF U.S. CENSUS BUREAU HOUSING UNITS ESTIMATES (TABLE HU-EST2007), BUILDING PERMIT REPORTS, ESTIMATES PROVIDED BY NIELSEN CLARITAS, AND AMERICAN COMMUNITY SURVEY 2005-7 TABLES B25002-4 AND B25075.

\*Number of affordable homes is based on Freddie Mac's interest rate survey results for June 2009 for a 30-year mortgage with a 5 percent down payment, average statewide property taxes, property insurance, private mortgage insurance, closing costs, and a 30 percent housing payment ratio.

### Few Vermont homes affordable to lower income households sold in 2008

Maximum affordable purchase price*	Homes sold at or below this price		Median home price
	Number	% of all primary homes sold	
\$130,500	893	18%	\$200,000

SOURCE: VHFA ANALYSIS OF VERMONT DEPARTMENT OF TAXES PROPERTY TRANSFER TAX DATA FOR PRIMARY HOMES (INCLUDING SINGLE-FAMILY, CONDOMINIUMS, AND MOBILE HOMES WITH LAND).

\*This is the estimated price affordable to a household with income of \$41,000 (80% of the state median), assuming a down payment of 5% and average interest rates, property taxes, and insurance rates. Average property tax payment does not include tax rebates that qualifying households would receive.

to lower income households. About 25-50 of these homes are resold each year. This housing is permanently restricted and intended to remain available to moderate and lower income households at affordable prices on an ongoing basis.<sup>9</sup>

Mobile and manufactured homes in mobile home parks are also an important source of housing for households with limited income. There are 7,233 lots in 243 parks statewide, most of

which are leased to owner-occupants of mobile and manufactured homes.<sup>10</sup> Important issues for this stock of housing include the availability of affordable financing options for homeowners, the physical condition of homes, and the quality of park infrastructure.

### Home building during troubled economic times

Despite current housing market declines, there will likely be a need for construction of about 8,000 owner-occupied homes between 2009 and 2014 to accommodate the latest projections of population growth, replace units at the end of their life cycle and provide a normal vacancy rate.

Producing these new homes would require construction of 1,641 homes per year. This is about equal to the average rate of construction during the past five years. However, the pace of construction has fallen dramatically in recent months as the economy declined. Vermont's housing stock expansion was less than half the national average between 2007 and 2008.<sup>11</sup> Keeping pace with the potential demand outlined in current projections will require the rate of construction to quickly return to pre-recession levels, as shown to the right.

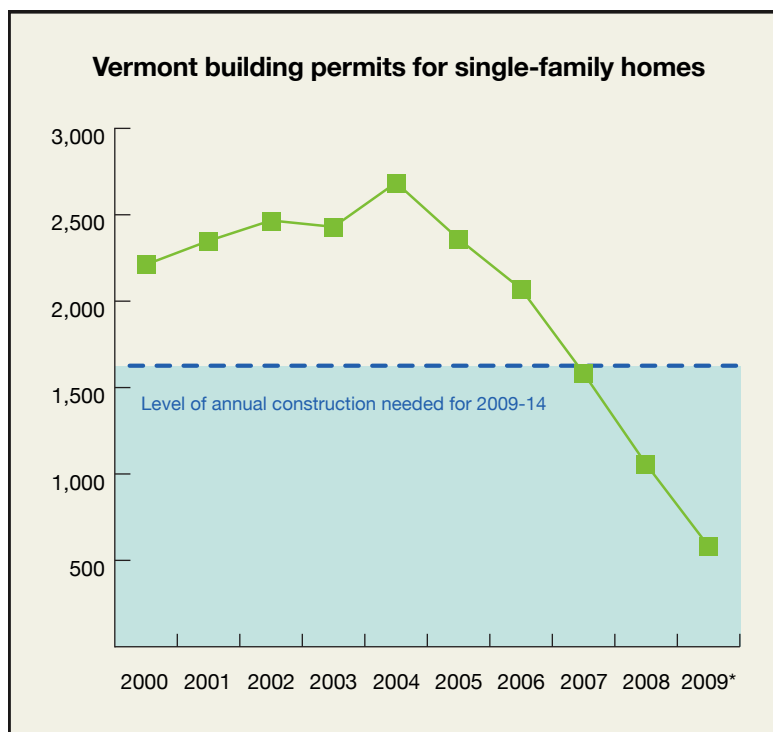
Since current economic instability makes homeowner population projections more tenuous, updating this analysis frequently is critical to accurately quantifying Vermont's new construction needs until the economy

### Estimated demand and supply of owner homes in Vermont

Additional owner households	4,680
Units removed from stock/ destroyed*	939
Additional units needed to reach a healthy vacancy rate*	2,586
<b>Total additional units needed</b>	<b>8,205</b>

SOURCE: VHFA ANALYSIS OF ESTIMATES FROM NIELSEN CLARITAS AND U.S. CENSUS BUREAU HOUSING UNIT ESTIMATES, BUILDING PERMIT REPORTS, AND AMERICAN COMMUNITY SURVEY 2005-7 TABLE B25003.

\*Assumes an annual housing destruction rate of 0.103% and that 3% is a "healthy" vacancy rate, as opposed to the 1.6% rate most recently estimated by the U.S. Census Bureau for 2008.



SOURCE: VHFA ANALYSIS BASED ON ESTIMATES FROM NIELSEN CLARITAS, U.S. CENSUS BUREAU HOUSING UNITS, BUILDING PERMITS, AND AMERICAN COMMUNITY SURVEY 2005-7 TABLE 25003.

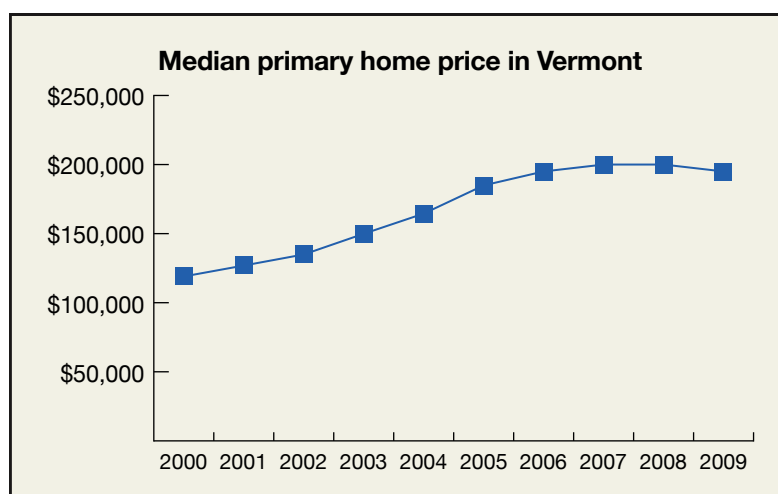
\*2009 figure is estimated.

normalizes. Although Vermont has one of the lowest foreclosure rates in the country, the number of Vermont home owners experiencing foreclosure is at its highest point in recent years. In April through June 2009, approximately 470 first-lien mortgages on 1-4 unit Vermont properties entered foreclosure.<sup>12</sup> Even if foreclosures reduce the number of new home owners between 2009 and 2014 by half of the current projection, an estimated 5,600 owner units will still need to be built during this period.<sup>13</sup> Home building during a recession also requires careful local market analysis and strategic long-range planning, since not all communities reflect the statewide trends discussed in this study.

Home sales volumes, inventories, and median home prices across the state have been affected by the recession. The number of Vermont primary residence homes sold dropped by 25% in 2008 to a low point for the decade, with sales in 2009 running even lower.<sup>14</sup> Inventories of homes for sale in Vermont during the first six months of 2009 were about 8% larger than they were 12 months earlier (in 2008).<sup>15</sup> As the economy recovers and the number of owner households

in Vermont continues expanding, this inventory is likely to diminish and stabilize.

Home prices have remained fairly constant during the past four years, with a slight decline during the first six months of 2009, as shown below:



SOURCE: VHFA ANALYSIS OF VERMONT DEPT. OF TAXES' PROPERTY TRANSFER TAX RECEIPTS FOR PRIMARY RESIDENCE HOMES INCLUDING SINGLE-FAMILY HOMES, CONDOMINIUMS, AND MOBILE HOMES WITH LAND.

According to Vermont economists, Vermont home prices will likely stabilize and begin to increase again in 2011.<sup>16</sup> Despite the housing market declines brought on by the recession, Vermont's population will keep up its pace of modest expansion only if the supply of housing is adequate to serve potential new home owners.

1 Based on estimates provided by Nielsen Claritas.

2 The median is the figure that occurs halfway down a list of figures that are sorted from smallest to largest, so that half of all the figures are higher than the median and half are lower.

3 Based on VHFA's analysis of estimates from Nielsen Claritas and [American Community Survey 2005-7, Table B25098](#). US Census Bureau.

4 The American Community Survey defines owner housing costs as "the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property (including payments for the first mortgage, second mortgages, home equity loans, and other junior mortgages); real estate taxes; fire, hazard, and flood insurance on the property; utilities (electricity, gas, and water and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, the monthly condominium fee for condominiums and mobile home costs (installment loan payments, personal property taxes, site rent, registration fees, and license fees)."

- 5 VHFA analysis of [Vermont Department of Taxes property transfer tax data](#) for primary residence single-family, condominiums, and mobiles with land.
- 6 Affordability calculations were prepared by VHFA based on Freddie Mac's average interest rate loan in June 2009 for a 30-year mortgage, a 5% down payment, average statewide property taxes, property insurance, private mortgage insurance, closing costs and a 30-percent housing payment ratio. Average property tax assumptions do not include income sensitive tax rebates that qualifying households receive.
- 7 VHFA analysis of estimates from Nielsen Claritas and the U.S. Census Bureau's [American Community Survey 2005-7 Table B25075](#). US Census Bureau.
- 8 According to VHFA's analysis of estimates from [American Community Survey 2005-7 Table B25106](#), 62% of all lower income homeowners (with incomes less than \$41,000) pay more than 30% of their income for housing.
- 9 Estimates provided by the Vermont Housing and Conservation Board, October 2009.
- 10 [Registry of Vermont Mobile Home Parks](#). VT Department of Economic, Housing and Community Development.
- 11 [Estimates of Housing Unit Change for the United States and States, and State Rankings: July 1, 2007 to July 1, 2008](#). US Census Bureau.
- 12 VHFA analysis of estimates from the [National Delinquency Survey](#). Mortgage Bankers Association. 2nd Quarter 2009.
- 13 VHFA analysis based on estimated vacancy rate of 3% and an annual housing destruction rate of 0.103%.
- 14 VHFA analysis of Vermont Department of Taxes property transfer tax data for primary homes.
- 15 VHFA analysis of data from the Vermont Real Estate Information Network.
- 16 [Economic Review and Revenue Forecast Update](#). Kavet, Rockler & Associates, LLC. July 2009. Page 16.

## AVAILABILITY OF AFFORDABLE RENTAL HOUSING FOR LOWER INCOME VERMONTERS

### Summary

- Between 2009 and 2014, the number of households renting homes in Vermont is expected to increase by 1,100 to 74,401.
- Most Vermont renter households have incomes well below the state median of \$51,000. About 44,000 renter households have incomes less than \$41,000 (80% of the median) and 16,000 of these have extremely low incomes of less than \$15,000 (30% of the median).
- An estimated 17,500 lower income households live in housing with rents made affordable through public project-based or tenant-based assistance. However, Vermont's assisted housing stock is at risk of losing thousands of apartments, due to expiring contracts between private landlords and the housing agencies that provided initial development subsidies.
- An estimated 62% of lower income Vermont renter households (27,000 households) lack housing they can afford without spending more than 30% of their income for rent and utilities. About 13,000 of these households pay an extremely challenging 50% or more of their income for rent and utilities, leaving few resources for other essential goods and services.
- Sixty percent of Vermont's rental housing stock is priced in the \$500 to \$1,000 per month range. Some higher income households pay less than 30% of their income for rent and live in more "affordable" units, further constricting the supply of affordable apartments for lower income households.
- Aside from the lack of affordable housing suffered by existing cost-burdened Vermont renters, an additional 5,000 rental units will likely be needed by 2014, if the latest projections of renter household growth and vacancy rates hold through this unstable economic time. Producing these new units will require at least doubling the pace of construction that took place in Vermont in the past five years.



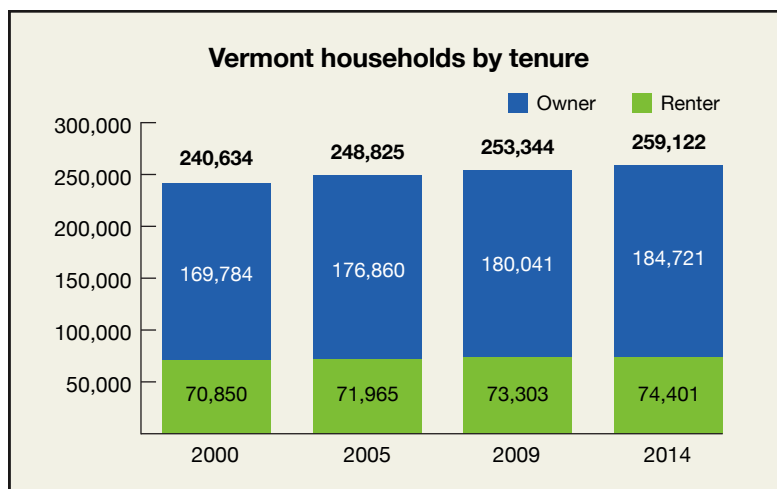
A variety of factors limit the supply of affordable housing in Vermont. Vermont's vacancy rate, although higher in 2009, is consistently well below the national average which means less downward market pressure on rents than in areas with more vacancies. In addition, housing quality, location, transportation costs, and neighborhood considerations often propel lower income households into units with unaffordable rents.

### Number of renters continues to grow in Vermont

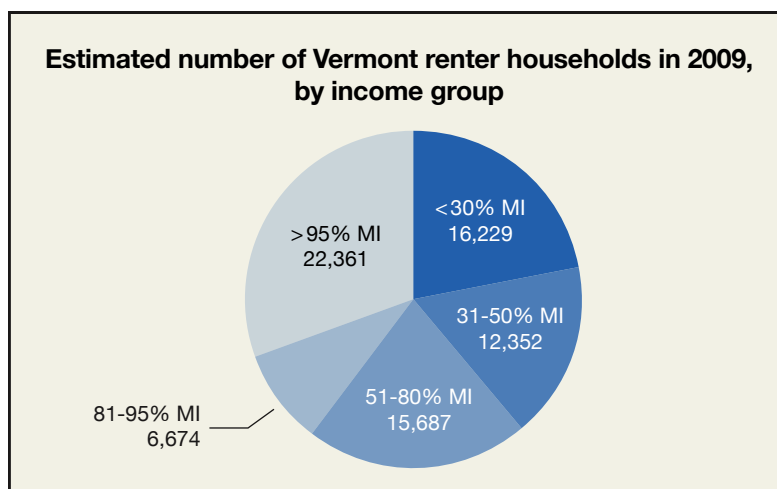
An estimated 29 percent of all Vermont households (73,303 households) rent their homes. An additional 1,098 renter households are expected to live in Vermont by 2014.

Sixty percent of Vermont renter households (about 44,000 households) have lower incomes, less than 80% of the state median.

By 2014, an additional 900 renter households with incomes at or below 80% of median are expected to live in Vermont.



SOURCES: VHFA ANALYSIS OF INFORMATION FROM THE U.S. CENSUS BUREAU CENSUS 2000, AMERICAN COMMUNITY SURVEY 2005 TABLE 25003, AND NIELSEN CLARITAS.



SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS.

Note: "MI" refers to "median income."

## IDENTIFYING HOUSEHOLDS WITH LOWER INCOMES

Many renters in Vermont have low incomes. One way to identify lower income households is by comparing a household's income to the median income of all households in an area. Many housing programs restrict eligibility to households with total incomes of no more than 80% of the median income in the area.<sup>1</sup> Other programs target households with even lower incomes by limiting eligibility to households with total incomes of no more than 50% or 30% of the area median. For 2009, the median income of Vermont households is \$51,000, according to estimates provided by Nielsen Claritas.

The term "lower income household" used throughout this report refers to all households with income less than 80% of the median. Unlike the income groups listed here which are based on the overall median income among all Vermont households, eligibility for HUD and USDA Rural Development (RD) programs is computed using median income estimates that reflect the size of the household and the county in which the household is located. For this reason, the income ranges shown above do not directly mirror HUD / RD program eligibility dollar limits.

Median income	\$51,000
<=30% of median	\$0-15,000
31-50% of median	\$15,001-25,000
51-80% of median	\$25,001-41,000
81-95% of median	\$41,001-48,000
>95% of median	\$48,001+

### What is counted as "household income" in this report?

COUNTED as income	NOT COUNTED as income
Amounts reported separately for wage or salary income	Capital gains
Net self-employment income	Money received from the sale of property (unless the recipient was engaged in the business of selling such property)
Interest, dividends, or net rental or royalty income or income from estates and trusts	The value of income "in kind" from food stamps, public housing subsidies, medical care, employer contributions for individuals, etc.
Social Security or railroad retirement income	Withdrawal of bank deposits
Supplemental Security Income (SSI)	Money borrowed
Public assistance or welfare payments	Tax refunds
Retirement, survivor, or disability pensions	Exchange of money between relatives living in the same household
All other income	Gifts and lump-sum inheritances Insurance payments

SOURCE: [U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2007 SUBJECT DEFINITIONS.](#)

## Housing assistance helps some lower income households

Federal, state, and local housing programs use two approaches for making rental units more affordable to eligible tenants:

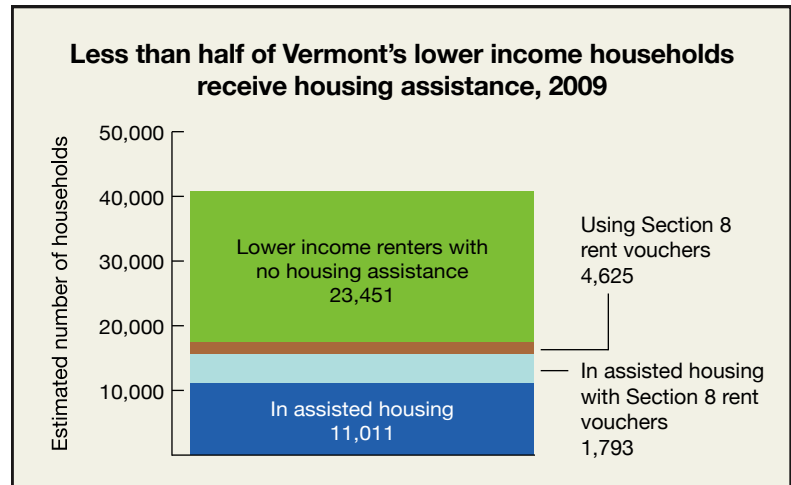
### 1. *Project-based assistance*

This approach subsidizes the creation of the units (either newly built or rehabilitated units). In this model, public subsidies reduce the cost of developing the property, enabling rents charged to be lower than the conventional marketplace. However, rents in project-based affordable housing may not be “affordable” to every resident since an individual household’s income is not taken into account when determining the amount of rent paid.

### 2. *Tenant-based assistance*

This approach subsidizes the actual rent paid by a tenant, based on the household’s income. In this model, households only pay 30 percent of their income towards their rent. If this is not enough to cover the full rent amount, a rental subsidy for the remainder is paid directly to the landlord.

Approximately 17,500 households with incomes less than 80% of the median live in housing with rents made affordable through project based or tenant based public subsidies. About 12,800 units are in housing projects that received project-based federal or state funding. Although a small portion of these are “market rate” units with no income restrictions, eligibility for most of these



SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS, THE VERMONT DIRECTORY OF AFFORDABLE RENTAL HOUSING, THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND THE VERMONT STATE HOUSING AUTHORITY.

*Note: The estimate of “lower income rent payers with no housing assistance” is based on the total number of households with incomes at or below 80% median who pay some cash rent. “Assisted housing” includes units in all projects that received public financing to cover costs of developing the housing. Due to data limitations, this figure includes a small number of units occupied by tenant, who are not subject to income restrictions and who pay “market rate” rents.*

units is limited households with incomes of up to 80% of median depending on the types of public programs involved. About 6,300 lower income Vermont households receive tenant-based rental assistance vouchers through the federal Section 8 program to help pay their rent.<sup>2</sup>

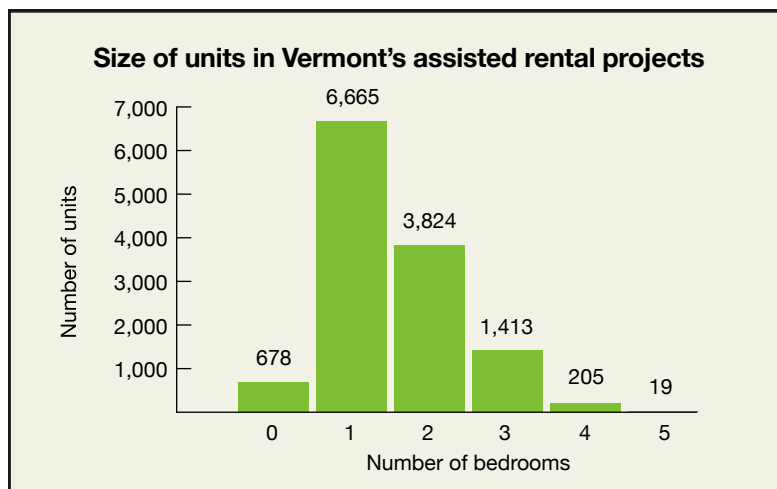
Owners of rental housing developed through project based public financing have contracts with non-profit or government housing agencies that provide them with the subsidies or below-market interest rate loans they need to provide decent, affordable housing. Typically, programs provide financing during a project’s construction or rehabilitation in return for long-term commitment to maintain the building and keep rents affordable. When these commitments expire, housing that was once affordable to lower income households becomes vulnerable to rising rents and/or declining maintenance.

Approximately 7,000 affordable rental units were identified in 2008 as at risk of loss from Vermont's affordable housing stock.<sup>3</sup> Although preservation efforts are underway to keep at least half of these units in the state's affordable housing stock, pressures will continue to mount as additional affordability commitments expire in the future.

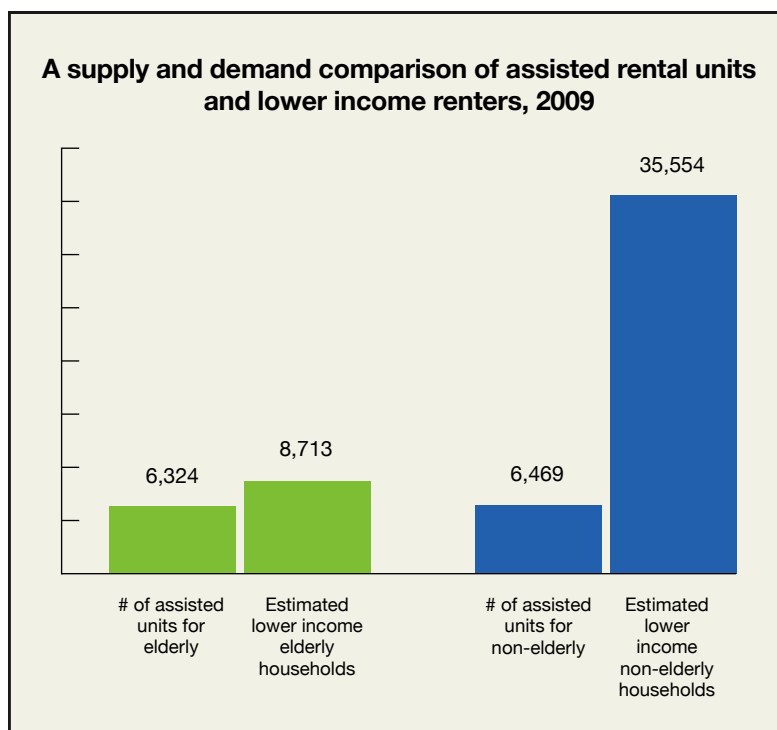
Roughly half of the units in Vermont's assisted rental stock are 1 bedroom units dedicated to serving lower income elderly occupants. Disabled renters may also occupy some of these restricted units.

Project-based public financing has created 6,324 units dedicated to Vermont's elderly (or disabled) occupants. These units house an estimated 73% of all lower income elderly rental households in the state. Non-elderly lower income households outnumber the supply of assisted units to a far greater extent. The number of units without age or disability status restrictions in these projects is only 18% of the state's estimated 35,554 lower income renter non-elderly households.

A recent study of the Vermont Child Poverty Council examined a variety of data related to the greatest problems facing the state's children. The Council noted that "without stable and safe housing, children may change schools frequently or may not be ready to learn in schools" which reduces the likelihood that children who lack adequate housing will become successful adults.<sup>4</sup>



SOURCE: VERMONT DIRECTORY OF AFFORDABLE HOUSING, JULY 2009.



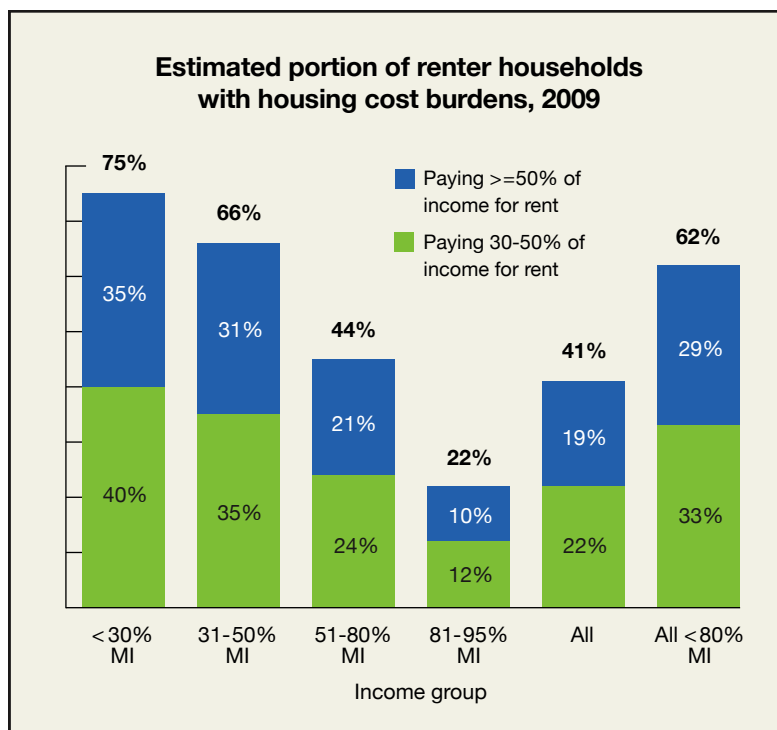
SOURCE: VHFA ANALYSIS OF INFORMATION FROM THE VERMONT DIRECTORY OF AFFORDABLE RENTAL HOUSING AND ESTIMATES PROVIDED BY NIELSEN CLARITAS.

Note: "Assisted" units include all units in Vermont projects that received public project-based financing. "Estimated lower income households" include households with incomes less \$41,000 (80% of the 2009 median).

## 27,000 “cost burdened” households lack affordable rental housing

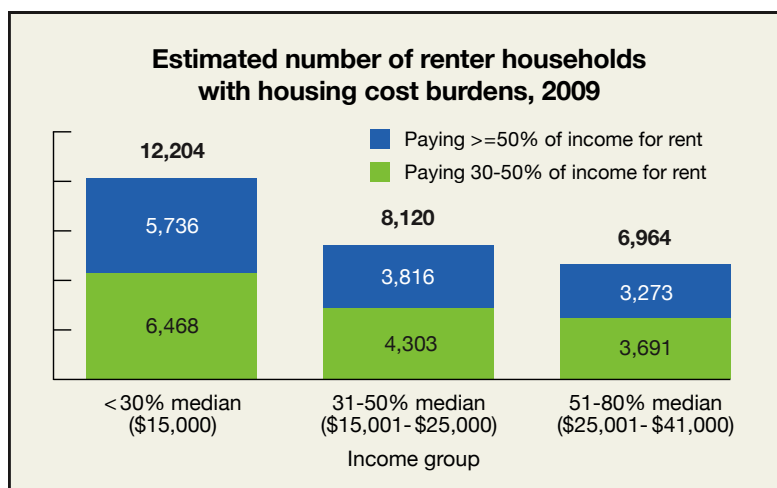
While public financing makes housing affordable for some lower income Vermont renters, the majority of renter households with incomes less than \$41,000 (80% of the median) do not have housing they can afford. In 2009, approximately 62% of these households (about 27,000 households) live in housing that requires them to spend more than 30% of their incomes for rent and utilities. Reflecting a nationwide pattern, the lower a Vermont renter’s income, the more likely it is to lack affordable housing. About 75% of the state’s extremely low-income renter households are burdened by their housing costs. This means that an estimated 13,000 households with incomes at or below \$15,000 lack affordable housing.

Many of these households are spending substantially more than 30% of their income for rent and utilities. An estimated 13,000 lower income renter households (with incomes of less than 80% of the median) spend more than half of their income for rent and utilities. Paying half or more of an already low income for housing leaves scant resources for other important needs such as food, health care, and child care. These households have very little ability to effectively cope with sharp spikes in fuel prices and other elements of basic living. According to a recent national study, low-income renters paying more than 50% of their income for housing spend 33% less on food, 52% less on healthcare, and almost 60% less on clothing than renters who live in housing they can afford.<sup>5</sup>



SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS AND U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLES B25106 AND B25070.

Note: “MI” refers to “median income.” The estimated median income for 2009 was \$51,000.

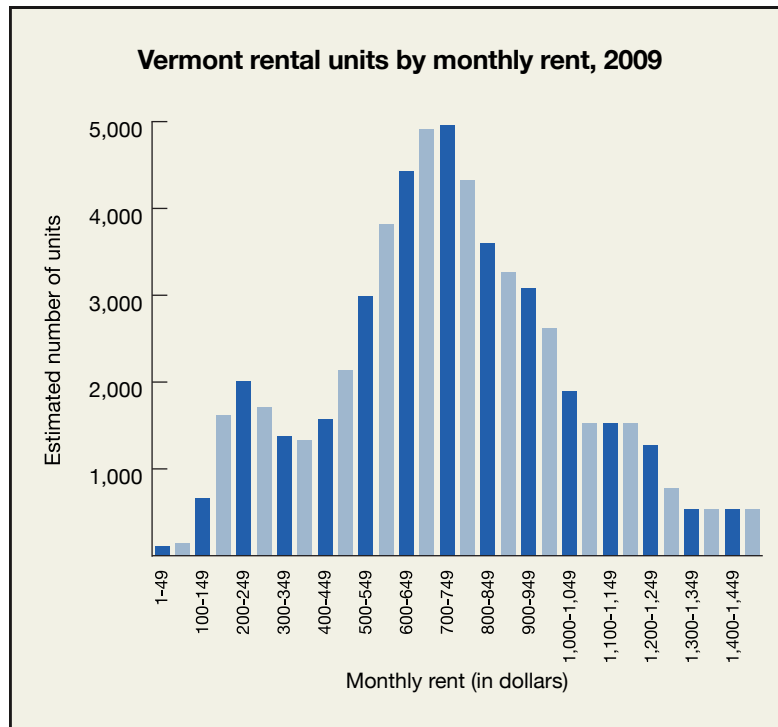


SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS AND FROM THE U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLES B25106 AND B25070.

## Demand exceeds supply of apartments with affordable rents

The prevalence of high cost burdens among lower income Vermont renters is caused largely by the lack of a sufficient number of affordable apartments. The graph below illustrates the distribution of rental units in Vermont by monthly rent groups. The most common rent levels are in the \$500 - \$1,000 range. Units in this rent range comprise an estimated 60% of Vermont's rental stock.<sup>6</sup>

The lower a household's income, the fewer the options in terms of finding apartments with rents that are affordable. As shown in the lower left portion of the table entitled "Vermont Renter Households by Income and Rent, 2007," many households making less than \$35,000 occupy "unaffordable" units with rents above \$600. Similarly, many households with incomes above \$35,000 occupy units with rents less than \$600 (as shown in the upper right portion of the table). These households spend less than 30% of their income for rent. There are several reasons why a household would pay less than the maximum 30% of their income for rent. A few examples are: unusually high household expenses (health care, child care, alimony, transportation), a desire to save money towards a goal (such as moving into homeownership), or not wanting to feel pressure to make ends meet.



SOURCE: VHFA ANALYSIS OF ESTIMATES FROM THE U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7 TABLE B25063.

Note: Shows units with rents of \$1-\$1,500.

## Vermont Renter Households by Income and Rent, 2007

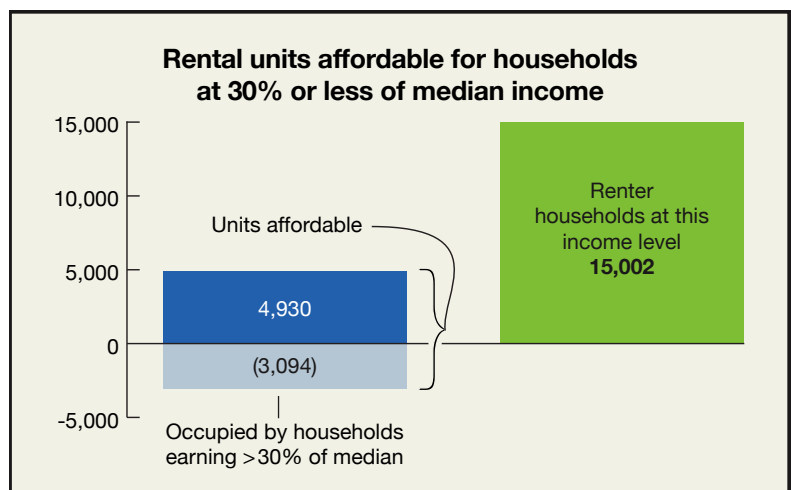
Monthly gross rent	Annual household income							Total
	<\$10,000	\$10,000-\$19,999	\$20,000-\$34,999	\$35,000-\$49,999	\$50,000-\$74,999	\$75,000-\$99,999	\$100,000+	
No cash rent	735	1,185	1,406	651	813	227	235	5,252
<\$100	100	22	42	64	0	0	0	228
\$100-\$199	1,575	466	128	62	0	0	39	2,270
\$200-\$299	1,640	1,596	508	83	31	0	6	3,864
\$300-\$399	459	1,407	399	131	85	45	10	2,536
\$400-\$499	620	1,256	828	551	114	75	68	3,512
\$500-\$599	854	1,732	2,199	1,134	754	193	61	6,927
\$600-\$699	1,301	2,101	2,847	1,749	1,028	188	181	9,395
\$700-\$799	1,060	1,842	2,482	2,117	1,489	410	218	9,618
\$800-\$899	495	875	2,081	1,781	1,004	374	111	6,721
\$900-\$999	287	891	1,611	1,213	1,457	290	233	5,982
\$1,000-\$1,249	467	1,055	1,378	1,873	1,583	737	524	7,617
\$1,250-\$1,499	184	341	465	454	477	439	292	2,652
\$1,500-\$1,999	227	348	357	269	438	287	446	2,372
\$2,000+	101	0	6	118	158	159	137	679

SOURCE: VHFA ANALYSIS OF ESTIMATES FROM THE U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLE B25122.

Key:  = All or a portion of the rents in this group are unaffordable at the 30% level to households in the middle of this income group.

The following charts summarize the supply and demand for rental units affordable to lower income Vermonters.

The graph at right illustrates the situation that a household making no more than 30% of the median would face, if searching for an affordable apartment in Vermont. This household makes an income of no more than approximately \$15,000, making a rent level of up to approximately \$417 affordable for households at the top of this income range. An estimated 8,024 units have rents at this level. However, about 39% of these units are occupied



SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS AND THE U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLES B25063 AND B25122.

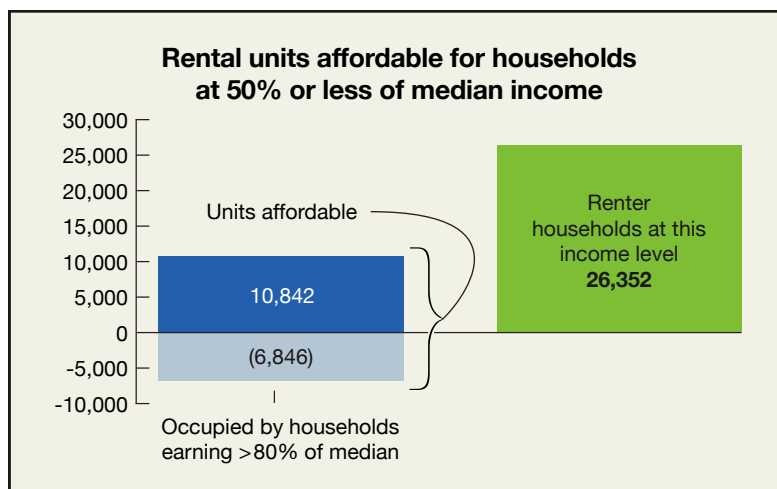
Note: Excludes households paying no cash rent.



by higher income households (above \$15,000). This leaves a scant 4,930 units available with rents less than \$417. Competition for these units is stiff, since approximately 15,000 households with incomes in this range need apartments to rent. This “deficit” in the housing supply pushes most of these households into higher rent units where they become cost burdened (i.e. pay more than 30% of their income for rent).

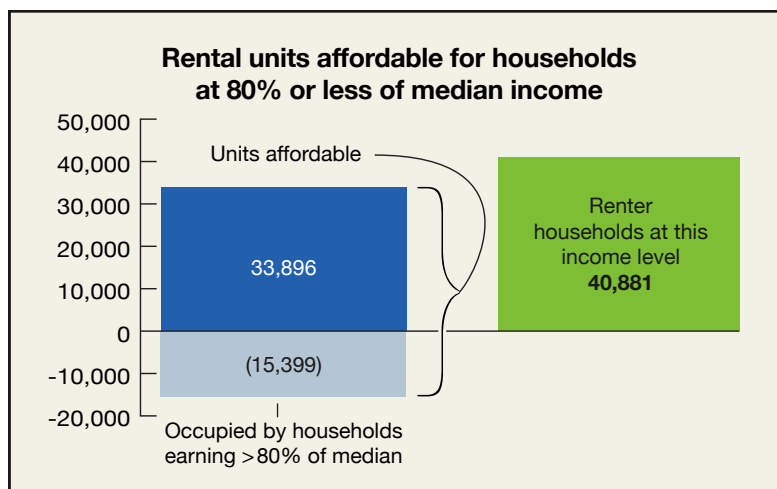
For households with incomes closer to 80% of the median, the situation improves somewhat, as shown at lower right. A household at the 80% of median level makes \$41,000 and can afford monthly rent of up to \$1,139, assuming a 30% affordability standard. Vermont’s rental stock includes an estimated 49,295 units at or below this rent level. However, renters with incomes at this level still face competition from upper income households. About 31% of the units with rents of no more than \$1,139 are occupied by households with incomes above \$41,000. This brings the number of units available with rents of up to \$1,139 down to 33,896 — substantially less than the 40,881 lower income households paying rent in Vermont.

In addition, we know that the distribution of household incomes and unit rents in these large categories is not uniform, as shown in the earlier table entitled “Vermont Renter Households by Income and Rent, 2007.” This means that even if the number of available units with rents less than \$1,139 and the number of households with incomes less than



SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS AND THE U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLES B25063 AND B25122.

Note: Excludes households paying no cash rent.



SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS AND THE U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLES B25063 AND B25122.

Note: Excludes households paying no cash rent.

\$41,000 were the same (i.e. the height of the bars in the graph above was the same), many of the households with incomes less than \$41,000 would likely be in units they could not afford.

## Building rental housing during troubled economic times

Vermont's aggregate rental stock will likely need to increase by approximately 5,000 units between 2009 and 2014, if the latest projections about growth among renter households and vacancy rates hold. In addition, this increase will be needed to replace units at the end of their life cycle (i.e. destroyed) and to ensure that the stock is large enough to include permanent shelter for the state's homeless.

Producing these new rental units by 2014 (or an average of 975 units each year) will require at least doubling the pace of construction that took place in Vermont during the past five years. An estimated 460 rental homes (both subsidized and privately owned) were built each year in Vermont between 2005 and 2009.<sup>7</sup>

Since the current recession introduces more uncertainty to renter population growth and vacancy rate projections, updating this analysis frequently is critical to accurately quantifying Vermont's new construction needs until the economy stabilizes. New construction during a recession also requires careful local market analysis and strategic long-range planning, since not all local areas reflect the statewide trends discussed in this study. On the positive side, the recession provides an opportunity to secure favorable construction pricing while offering employment opportunities to the besieged construction industry.

A variety of factors limit availability of affordable rental housing

## Estimated increases to total rental housing stock needed by 2014

Additional renter households	1,098
Housing homeless families	465
Housing homeless individuals	2,391
Units removed from stock/destroyed*	380
Additional units needed to reach a "healthy" vacancy rate*	539
<b>Total additional units needed</b>	<b>4,873</b>

SOURCE: VHFA ANALYSIS OF ESTIMATES PROVIDED BY NIELSEN CLARITAS, THE VERMONT EMERGENCY SHELTER GRANT PROGRAM, AND U.S. CENSUS BUREAU HOUSING VACANCY ESTIMATES.

\*Assumes an annual housing destruction rate of 0.103% and that 5% is a "healthy" vacancy rate, as opposed to the actual 4.3% rate most recently estimated by the Census Bureau for the last 4 quarters (July 2008-June 2009).

Factors contributing to the number of households lacking affordable rental housing in Vermont include:

1. Vermont's lower than average rental housing vacancy rate which puts little downward pressure on rent levels.
2. Propensity of some renters to spend less than 30% of their income for rents.
3. Many less expensive units are not of acceptable quality, in locations and/or the size needed by lower income renters.
4. Pace of subsidized housing development targeted at lower income renters.
5. High cost of constructing quality units and uncertainty of long-term operating costs.
6. Economic considerations that lead many profit-motivated developers to create multi-family for-sale units rather than affordable apartments.

Vermont had a rental vacancy rate of 4.3% during the past 12 months, well below the national average rate of 10.2%.<sup>8</sup> Low

vacancy rates put little pressure on landlords to limit rent increases from year to year. Another factor limiting the supply of affordable housing available to lower income households is the propensity of some households to absorb a considerable segment of the state's affordable housing stock by spending less than 30% of their income for rent. For example, of all of the rental units affordable to lower income Vermonters (with incomes at or below 80% of median), 31% are occupied by households with higher incomes (above 80% of median).

Even if Vermont's total housing stock included as many affordable apartments as lower income households, many households would still find themselves paying unaffordable rents due to other considerations, such as the quality or size of the unit and its location relative to jobs. Much of Vermont's rental housing stock (43%) was built before 1950 when lead-based paint was commonly used.<sup>9</sup> According to the National Low-Income Housing Coalition, 1 in 10 rural renter households "lives in either severely or moderately-inadequate housing."<sup>10</sup> Despite these indicators, insufficient data exists to quantify the effect of quality deficiencies on Vermont's total rental stock. Consequently, all estimates shown in this report pertain to the total rental stock, not just those that are of decent quality. A renter household faced with an affordable, substandard unit and a decent unit that requires spending more of their income for rent may choose the latter option to achieve safe living conditions. A large household may make a similar trade-off to provide adequate space for its members. Finally, the location of housing relative to a renter's job may affect her ability to keep rent affordable. If someone is employed in an area in which no rental units available are affordable, she may need to pay more rent in order to keep her job, rather than leaving the job to take a cheaper apartment in another location.

Units subsidized through public programs play a unique role since they are targeted to lower income households and require that rents remain affordable for occupants. Furthermore, subsidized housing development can be focused on the types, location, and size of units needed most by lower income Vermonters. Despite these advantages, the pace of development of these units is extremely low relative to the number of lower income renter households lacking affordable housing. An average of 260 new rental units were added each year to Vermont's subsidized housing stock between 2004 and 2008.<sup>11</sup> A variety of factors make constructing rental units difficult, including high construction costs and the uncertainty of building operation costs over the long term.

Nationally, the consensus in research appears to be that "the unassisted private housing market generally does not provide for-profit developers with enough of a profit to build or maintain decent quality housing that is affordable to low-income households."<sup>12</sup> As the Millennial Housing Commission stated, the "private sector needs the proper incentives to be an effective partner in the federal government's efforts to address the nation's housing challenges."<sup>13</sup> While much of the rental housing built in this state recently has been subsidized and developed by non-profits, for-profit developers remain the leading source of new for-sale homes.

A variety of public policy efforts and community approaches have been used successfully to help lower income renters find housing they can afford. These approaches include expanding the availability of publicly funded rental assistance, supporting programs that improve wages among lower income workers, and promoting the expansion of the supply and quality of existing rental housing.

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- 1 The median is the figure that occurs halfway down a list of figures that are sorted from smallest to largest, so that half of all the figures are higher than the median and half are lower.
  - 2 [\*Resident Characteristics Report\*](#). US Department of Housing and Urban Development. Although most live in privately-owned homes, an estimated 14% of Vermont's rental voucher holders live in subsidized housing.
  - 3 This information was collected as part of the VHFA/VHCB's Preservation Initiative with the MacArthur Foundation that began in 2009.
  - 4 [\*Improving the Odds for Kids\*](#). Vermont Child Poverty Council. January 29, 2009. Page 54.
  - 5 [\*America's Rental Housing: The Key to a Balanced National Policy\*](#). Joint Center for Housing Studies of Harvard University. 2008. Page 16.
  - 6 Based on VHFA's analysis of data from [\*American Community Survey 2005-7, Table 25063\*](#). US Census Bureau. Excludes units with no cash rent.
  - 7 VHFA estimates based on [\*US Census Bureau housing unit estimates, building permit data\*](#) and [\*American Community Survey 2005-7, Tables B25003 and B25004\*](#) and data provided by Nielsen/Claritas.
  - 8 Based on average quarterly rental housing vacancy rates for the last 2 quarters of 2008 and the first 2 quarters of 2009 from the [\*Housing Vacancy Survey\*](#) of the U.S. Census Bureau.
  - 9 See *Vermont's Housing Stock Challenges*, another fact sheet in this series, for additional information.
  - 10 [\*Section 515 Rural Rental Housing Fact Sheet\*](#). National Low Income Housing Coalition. May 2009.
  - 11 [\*Vermont Directory of Affordable Rental Housing\*](#). June 2009.
  - 12 [\*Nonprofit and For-Profit Developers of Subsidized Rental Housing: Comparative Attributes and Collaborative Opportunities\*](#). Housing Policy Debate. Volume 19, Issue 2, 2008. Page 335.
  - 13 [\*Meeting Our Nation's Housing Challenges: Report of the Bipartisan Millennial Housing Commission\*](#). Millennial Housing Commission. May 2002. Page 32.

## VERMONT'S GROWING NUMBER OF ELDERS

### Summary

- Households headed by someone aged 65-74 are the fastest growing segment of the Vermont population, according to estimates from the U.S. Census Bureau data and projections from Nielsen/Claritas. Between 2005 and 2014, the number of households in this age group will increase by an estimated 13,285 while the number of younger households declines by 2,988.
- Most new Vermont households headed by an elder (someone 65 or older) will own their homes. However, the number of elderly, lower income renter households (with incomes less than 80% of median) is expected to increase by an estimated 1,255 between 2009 and 2014.
- Elderly Vermont homeowners have homes valued at \$222,531 on average and 70% have no mortgage outstanding, according to 2007 data from the U.S. Census Bureau.
- As of May 2009, about 563 Vermonters had Home Equity Conversion Mortgages--reverse mortgages which allow elderly households to receive cash payments against the equity in their homes, if the accumulated equity has reached a certain threshold.
- About 50% of Vermont's stock of subsidized rental housing is expressly for the elderly and/or disabled (6,324 units). An estimated 8,713 lower income elderly households rent homes in Vermont.

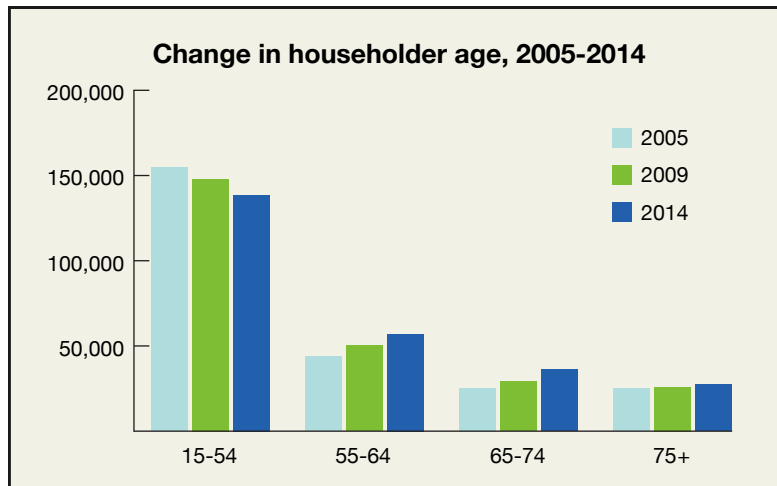
## Demographics

The number of Vermonters will increase by 4 percent between 2005 and 2014. As this growth occurs, the large Vermont baby boom generation is aging, life expectancy is increasing, and the health of our elder population is improving. As a result, there will be fewer Vermont households headed by someone younger than 55 in 2014 than there were in 2005. At the same time, there will be an increase in older Vermont householders.

Between 2005 and 2014, the number of households headed by someone younger than 65 will decrease by 2,988 while those over 65 will increase almost 4.5 times as much: 13,285.

Baby Boomers (born 1946-1964) will be between 50 and 68 years old in 2014 but interestingly, many are still not likely to be moving en masse into elderly housing developments since recent trends show that people are often older and more frail before moving into age-restricted housing or housing with supportive services. Burlington Housing Authority data shows that the average age at entrance was between 70 and 75 years old for the past four years.<sup>1</sup> The Brattleboro Housing Authority has also seen a rising average age at entrance.<sup>2</sup>

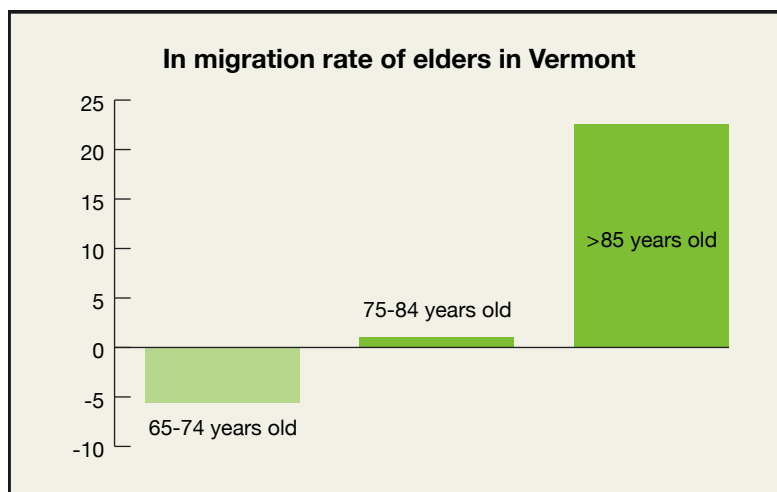
Interestingly, Vermont has a relatively high rate of 85+ year olds who move into Vermont from other states. Overall, the state's net migration rate of people aged 65+ is just 0.2 percent, although the New England rate is -11.7 percent, meaning New England is losing more elders than it's gaining. When looking at elders aged



SOURCE: VHFA ANALYSIS OF INFORMATION FROM THE U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005 TABLE 25007, AND NIELSEN CLARITAS

### Brattleboro Housing Authority average age in elderly/disabled subsidized housing

Decade admitted	1980s	1990s	2000s
Average age	63.9	67.1	69.0



SOURCE: U.S. CENSUS BUREAU, [INTERNAL MIGRATION OF THE OLDER POPULATION: 1995 TO 2000](#).

85+, Vermont's net migration rate is 22.6 percent, well over the New England rate of 6.4 percent.<sup>3</sup>



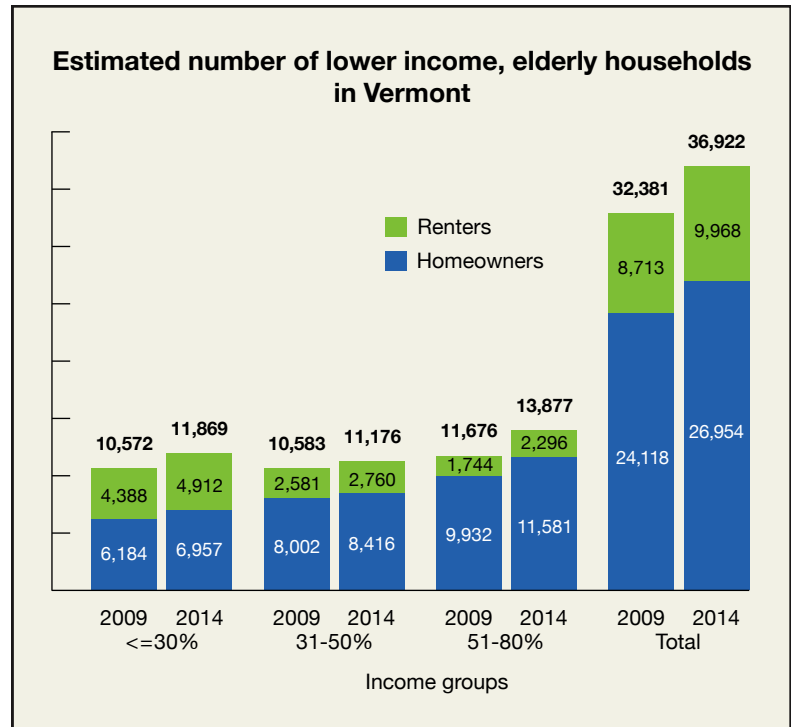
## Demand for Housing

### *Tenure Choice and Income*

Both the number of renter and homeowner elderly (65+) households will increase by 17% and 15%, respectively. The good news is that the number of elderly renter and owner households earning 95% or more of the median income will increase by a combined 23% between 2009 and 2014. This is the income group with the greatest growth, followed closely by renters and homeowners earning between 50% and 80% of median.

Regardless of age, it's important to remember that the lower a household's income, the less likely they are to afford their housing whether it be owned or rented. To the extent that Vermont will have 23,045 elderly households earning less than 50% of the median income (therefore in the bottom quartile of incomes), housing assistance is likely to continue to play a critical role in supporting Vermont's elderly population.

Once a household buys a home, research shows that it's unlikely to convert back to being a renter unless out of necessity (such as health needs). Research shows that "...in the absence of a precipitating shock — death of a spouse or entry of a family member into a nursing home — families are unlikely to discontinue home ownership. And even when there is a precipitating shock, discontinuing ownership is the exception rather than the rule." The research goes on to say, "Overall, the fraction of homeowners changes little after age 70."<sup>4</sup>





## Assets

About 70% of Vermont home owners over 65 have no mortgage, compared with 23% of younger owner households.<sup>5</sup> Older home owners also live in homes with lower values on average than owners under 65 years old, so those with mortgages have average monthly payments about \$200 less per month.

	Home owner <65	Home owner 65+
With a mortgage, deed of trust, etc.	108,557	12,114
Average payment	\$911.10	\$703.00
No mortgage	31,869	28,554
Average home value	\$236,547	\$222,531

SOURCE: AMERICAN COMMUNITY SURVEY 2005-7, U.S. CENSUS BUREAU, SPECIAL TABULATION BY CENTER FOR RURAL STUDIES.

The table to the right is based on national research, but limited available Vermont data shows that the same findings would likely be true in the Green Mountain State. As householders age, they become both more likely to own a home and more likely to own their home outright with no mortgage. While the value of homes peak when householders are between 55 and 64 years old, mortgage values steadily decline, indicating older homeowners have far more equity in their homes than their younger counterparts.

The assets an elderly household has can affect their eligibility for subsidized housing even if their income qualifies.

Generally, the estimated or imputed income from an asset (such as expected dividends from an investment) is counted as income when determining eligibility, regardless of whether or not the household chooses to receive the income.<sup>6</sup> While this may rule out many available housing options, it also complicates identifying the level of need among low-income elderly households in the state. Many elderly households may appear to be “low-income” although they have considerable non-liquid assets.

## Reverse mortgages

Because of the equity elderly homeowners have in their homes, and often times their limited or fixed incomes, some choose to use a federally insured Home Equity Conversion Mortgage (HECM). HECMs, also known as reverse mortgages, allow homeowners with sufficient equity in their homes to receive some of that equity as cash, and a federally-insured mortgage is written usually allowing for payback after the home is sold, or the homeowner dies.

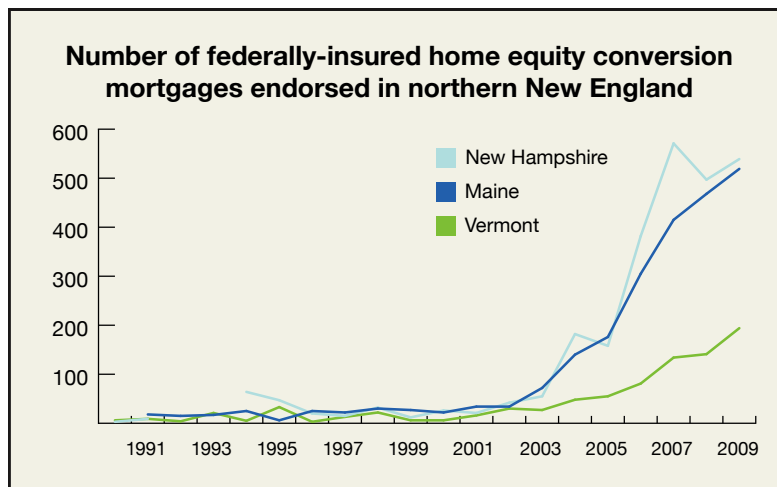
HUD’s report through the end of September 2009, showed that there are 616 active HECM mortgages in Vermont. The graph on the following page shows the northern New England states and the number of HECM loans originated each year. As shown, the popularity of this tool has been increasing, although

## Homeownership and mortgage debt by age of household head

Age	Homeownership rate	Median home value	% without mortgage	Median mortgage value
25-34	49.9%	\$137,000	9.1%	\$108,000
35-44	68.3%	\$160,000	8.0%	\$110,000
45-54	77.3%	\$170,000	16.3%	\$97,000
55-64	79.1%	\$200,000	35.6%	\$83,000
65+	83.3%	\$140,000	69.6%	\$43,000

SOURCE: NATIONAL BUREAU OF ECONOMIC RESEARCH. [THE HOUSING WEALTH OF THE AGED](#).

Vermont has not seen the same run-away spike as New Hampshire and Maine.<sup>7</sup> The lower prevalence of these loans in Vermont relative to other states is likely due in large part to the long-standing low number of federally-insured mortgages in Vermont. Additionally, in 2009 the Vermont State Legislature passed legislation limiting future reverse mortgages to federal programs only and mandates FHA (or equivalent government-backed) insurance.<sup>8</sup>



SOURCE: [U.S. HOUSING AND URBAN DEVELOPMENT, HOME EQUITY CONVERSION MORTGAGES, CHARACTERISTICS](#)

## WHAT IS COUNTED AS “HOUSEHOLD INCOME”

Not all of the resources households use to cover their living expenses are counted as “income”, especially those that are lump sum receipts of funds or in-kind income, in estimates that describe the state’s population.

COUNTED as income	NOT COUNTED as income
Amounts reported separately for wage or salary income	Capital gains
Net self-employment income	Money received from the sale of property (unless the recipient was engaged in the business of selling such property)
Interest, dividends, or net rental or royalty income or income from estates and trusts	The value of income “in kind” from food stamps, public housing subsidies, medical care, employer contributions for individuals, etc.
Social Security or railroad retirement income	Withdrawal of bank deposits
Supplemental Security Income (SSI)	Money borrowed
Public assistance or welfare payments	Tax refunds
Retirement, survivor, or disability pensions	Exchange of money between relatives living in the same household
All other income	Gifts and lump-sum inheritances Insurance payments Other types of lump-sum receipts

SOURCE: [U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2007 SUBJECT DEFINITIONS.](#)

### Age discrimination in housing

An August 2005 report by the U.S. Office of the Comptroller of the Currency (OCC) states that, “Using [Home Mortgage Disclosure Act] data along with data from 18 fair lending exams recently conducted by the OCC, between 1996 and 2001, we find no evidence of systematic discrimination on the basis of age or gender.”<sup>9</sup>

While similar fair housing testing hasn’t been done to date in Vermont, the Vermont Human Rights Commission and other agencies are available to follow up on discrimination complaints as they occur. An Analysis of Impediments to Fair Housing study was completed by the state in 2006 and while elders are included as a class protected by fair housing laws, there were no barriers or recommendations that specifically addressed age discrimination in housing.

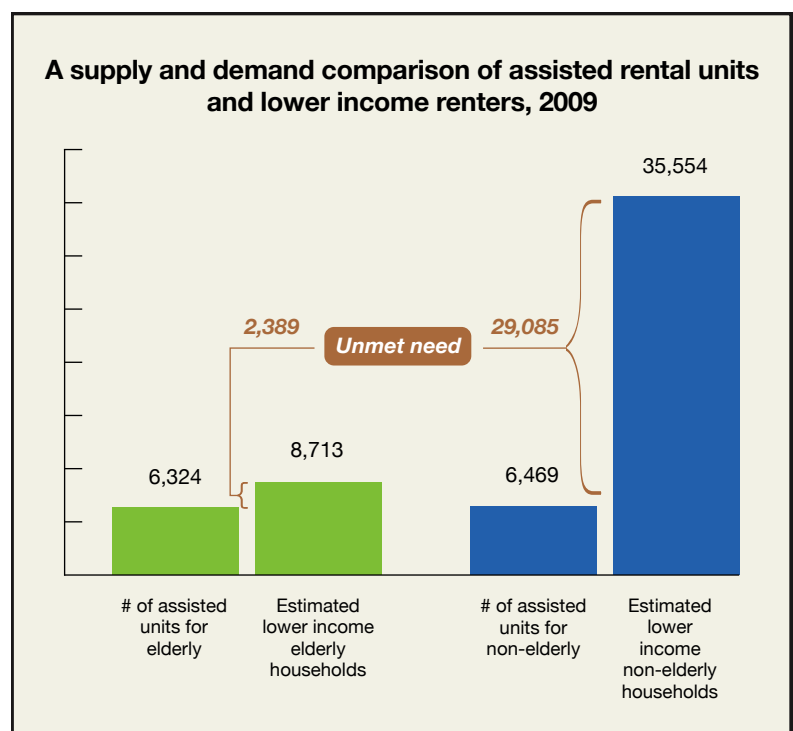
### Supply of age-restricted housing

Just about all housing units are available to people who are elderly, because Fair Housing regulations prohibit the discrimination of housing based on a householder’s age. By contrast, there are provisions in the Fair Housing Act that allow for housing to be limited to only elderly households, defined as those 55 or 62 years or older.

In addition, specialized housing units with varying levels of supportive services are limited to people who are elderly, or those with disabilities. There is a separate Fact Sheet with more information about units for elders with special housing needs.

### Affordable housing

In Vermont, there are 12,793 housing units in the Directory of Affordable Rental Units (DoARH), which includes units funded by all major federal and state housing programs. Of those, 3,400 were age restricted, and an additional 2,650 were limited to either adults with disabilities or elders.<sup>10</sup> Some non-designated subsidized units are also occupied by older Vermonters. The comparison of subsidized rental units available to low-income renters in 2009 can be seen below. An estimated 73 percent of the low-income elderly rental households in the state have the potential of having their housing needs met through existing age-restricted subsidized housing. This compares to just 18 percent for non-elderly low-income renter households.



SOURCE: VHFA ANALYSIS OF INFORMATION FROM THE VERMONT DIRECTORY OF AFFORDABLE RENTAL HOUSING AND ESTIMATES PROVIDED BY NIELSEN CLARITAS.

Note: “Assisted” units include all units in Vermont projects that received public project-based financing. “Estimated lower income households” include households with incomes less \$41,000 (80% of the 2009 median).

### *Ripple effect of creating elderly units*

A private development company, Green Mountain Development Group, surveyed residents of three subsidized housing projects for elders in Vermont and New Hampshire. 171 tenants who responded to their survey had moved into their current homes in the subsidized project from the local area, potentially freeing up local units in the local market. Of those, 54 had previously rented apartments for \$500 or less and an additional 53 sold homes or condos for \$100,000 or less.<sup>11</sup>

### *Community versus congregate living*

Community-based housing is experiencing increased pressure to care for people who historically have been served by group living such as nursing homes. Vermont's Department of Assisted and Independent Living reports that, "Vermonters have increasingly expressed their preference to receive long term care services at home as evidenced by a contraction of the state's institutional capacity. Over the last twelve years, 600 Vermont nursing facility beds have closed (from roughly 3,900 to 3,300) shifting care into the home and community-based system." The report goes on to say that, "although nursing homes contribute significantly to the state's long term care system, they house only 3.3% of Vermonters age 65 and older and 12.5% of those aged 85 and older. Individuals 85 years old and older have shown a precipitous drop in their use of nursing homes over the last 14 years. This is most likely a result of increased use of home based services, declining

### **Daily reimbursement rate, 2009**

Community housing	
Residential care homes	\$62.25
Assisted living residences	\$67.44
Nursing home	
Rate range depending on provider	\$127.58 to \$231.81

SOURCE: VERMONT DEPARTMENT OF DISABILITIES, AGING AND INDEPENDENT LIVING, [MEDICAID CLAIMS CODES AND REIMBURSEMENT RATES](#) AND [NURSING HOME RATE SETTING: MEDICAID RATE LIST](#)

disability and poverty rates, and greater housing options such as Assisted Living."<sup>12</sup>

As more frail elders choose home based and community based housing options, the cost of housing and providing necessary supportive services for this population has transferred from nursing homes to private affordable housing providers. Reimbursement rates for Residential Care Homes (RCH) and Assisted Living Residences (ALR) are much lower than comparable nursing home rates, despite similar levels of care provided.

A report by Vermont Housing Finance Agency in 2007 reported, "Nursing homes, Assisted Living Residences, and Residential Care Homes struggle each year to stay under budget and above water financially. Without adequate reimbursement, some RCHs and ALRs will not be able to continue to offer low-income seniors the housing they will desperately need in the future."<sup>13</sup>

### **Resources available**

The Vermont Department of Disabilities, Aging, and Independent Living (DAIL) website has an extensive list of publications online examining nursing home occupancy, community based services, and annual updates to its Shaping the Future of Long Term Care and Independent Living publication which studies trends and changing demographics.

- 
- 1 Data provided by Burlington Housing Authority for Decker Towers, South Square and North Champlain apartments for calendar years 2005-2008.
  - 2 Data provided by Brattleboro Housing Authority for three developments: Hayes Court, Melrose Terrace, and SEA for current residents.
  - 3 [\*Internal Migration of the Older Population: 1995 to 2000\*](#). US Census Bureau. August 2003. Page 4.
  - 4 [\*Aging and Housing Equity: Another Look\*](#). National Bureau of Economic Research. November 2001. Abstract.
  - 5 American Community Survey 2005-2007. US Census Bureau. Special tabulation by UVM's Center for Rural Studies.
  - 6 [\*Determining Asset Income\*](#). US Department of Housing and Urban Development. Imputed income is estimated for assets with little or no income (such as land that is not rented) through by applying a HUD-established "passbook rate" to the cash value of assets exceeding \$5,000. The passbook rate as of September 2009 is 0.02.
  - 7 [\*Home Equity Conversion Mortgages Characteristics\*](#). US Dept. of Housing and Urban Development. September 2009.
  - 8 [\*Vermont Governor Signs Reverse Mortgage Legislation\*](#). Reverse Mortgage Advisor. June 2009.
  - 9 [\*Searching for Age and Gender Discrimination in Mortgage Lending\*](#). Office of Comptroller of the Currency. August 2005. Abstract.
  - 10 [\*Vermont Directory of Affordable Rental Housing\*](#). June 2009.
  - 11 Letter to New Hampshire Housing Finance Agency from Green Mountain Development Group dated June 14, 2000.
  - 12 [\*Shaping the Future of Long Term Care and Independent Living\*](#). Vermont Department of Disabilities, Aging and Independent Living. June 2008. Page i.
  - 13 [\*Housing and the Needs of Vermont's Aging Population\*](#). Vermont Housing Finance Agency. September 2007. Page 5.

## VERMONTERS WITH SPECIAL NEEDS

### Summary

- 16% of all Vermonters (about 95,000 people) have at least one disability, according to U.S. Census Bureau data for 2007.
- About 40,000 Vermont households have mobility and/or self-care limitations. 61% of these households have lower incomes less than 80% of the median, according to special 2000 Census housing tabulations.
- Working-age Vermonters with a disability earn only 55% as much as their non-disabled counterparts, as of 2007 U.S. Census Bureau data.
- 7,464 victims of domestic violence and 1,234 victims of sexual violence were served in Vermont in 2008 by local agencies of the Vermont Network Against Domestic and Sexual Violence.
- Of the estimated 5,400 homeless in Vermont in 2008, approximately 3,750 were sheltered while the remaining 1,650 were unsheltered.
- Disabled Vermonters experience impediments to housing choice due to a lack of physically accessible housing, according to research conducted for the state in 2006. Furthermore, testing in 2003 by the Champlain Valley Office of Economic Opportunity found evidence of disability discrimination in the home buying market.

## Population estimates

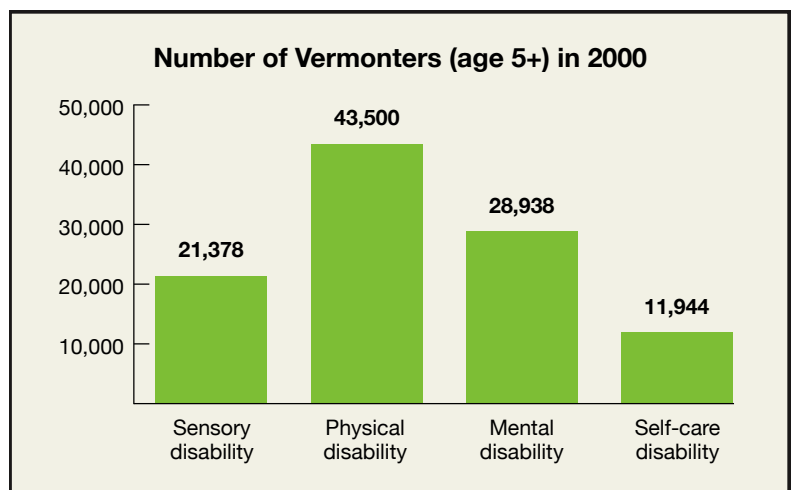
16% of Vermonters (approximately 95,000) have at least one disability. In children, the most common disability is a mental one (affecting about 8% of all kids age 5 to 15 with a disability) but for adults aged 16-64, the most common is physical disability (affecting about 7% of all disabled adults). Physical disability is also the most common disability among elders aged 65 and up (affecting roughly 27% of disabled elders).<sup>13</sup>

Adults between 16 and 64 years old with a disability are less likely to be employed than their non-disabled counterparts. 46% of people with disabilities are employed compared to 81% of adults with no disability.<sup>14</sup> Similarly, those adults with disabilities are more likely to live in poverty. 19% of adults with disabilities live in poverty, compared to just 8% of non-disabled adults.<sup>15</sup>

Just fewer than 10% of Vermont's youth (age 5 to 20) have a disability, which ranks the state in the top 5 states nationally with the highest prevalence of disabled youth.<sup>16</sup> Interestingly, Vermont is ranked 40th for the number of elders (65+) with a disability, well below the national average. Only between 35 and 40% of Vermonters over 65 have a disability.<sup>17</sup>

Population	Estimated number of Vermonters
Adults with severe mental illness	26,500 <sup>1</sup>
People with substance abuse problems	50,727 <sup>2</sup>
People with co-occurring disorders (mentally ill and substance abuse)	3,975 <sup>3</sup>
Frail elders	3,226 <sup>4</sup>
People with physical disabilities	43,500 <sup>5</sup>
People with developmental disabilities	13,046 <sup>6</sup>
People living with HIV/AIDS	650 <sup>7</sup>
People who are homeless	5,400 <sup>8</sup>
Ex-offenders (include people on probation and parole)	10,719 <sup>9</sup>
Youth in need (include teen runaways and teen births)	3,843 homeless/runaway youth <sup>10</sup> 4,788 teen births <sup>11</sup>
Domestic violence victims	8,698 <sup>12</sup>

## Types of disabilities



SOURCE: [CENSUS 2000, SUMMARY FILE 3, TABLE P41](#). US CENSUS BUREAU.



## Mobility and/or self-care limitations

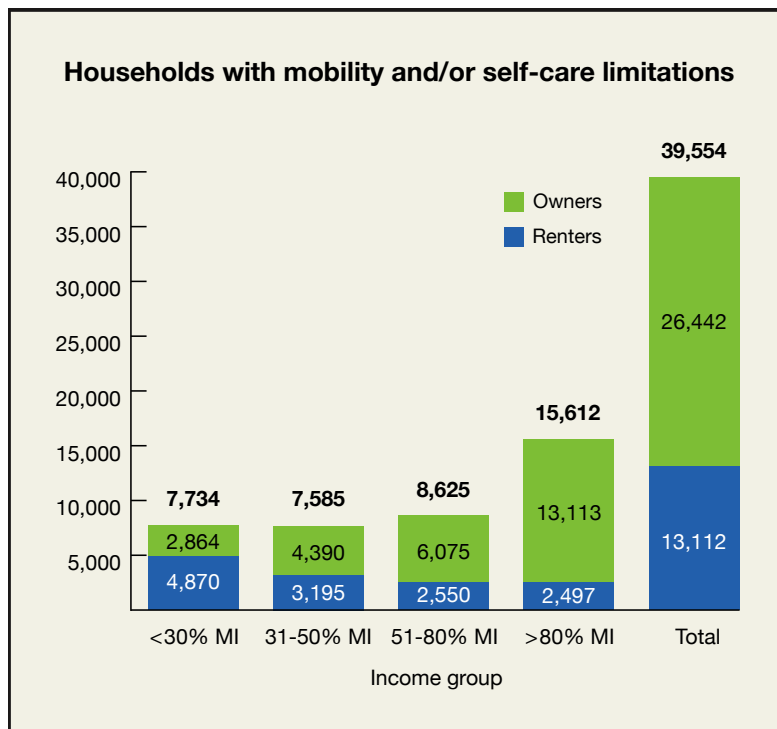
There were 39,554 households with mobility and/or self-care limitations in 2000. 20% of those have a household income under 30% of Median Family Income, and another 19% have incomes between 30 and 50% MFI.

People with disabilities are more likely than their non-disabled counterparts to have housing “problems” defined as having a cost-burden greater than 30% of income, and/or overcrowding, and/or without complete kitchen or plumbing facilities.<sup>18</sup> (Because of the small number of overcrowded or incomplete housing units, the predominant housing “problem” facing Vermonters is being cost burdened.) The table here shows the housing problems faced by both renting and owning Vermonters with disabilities, by HUD income group.

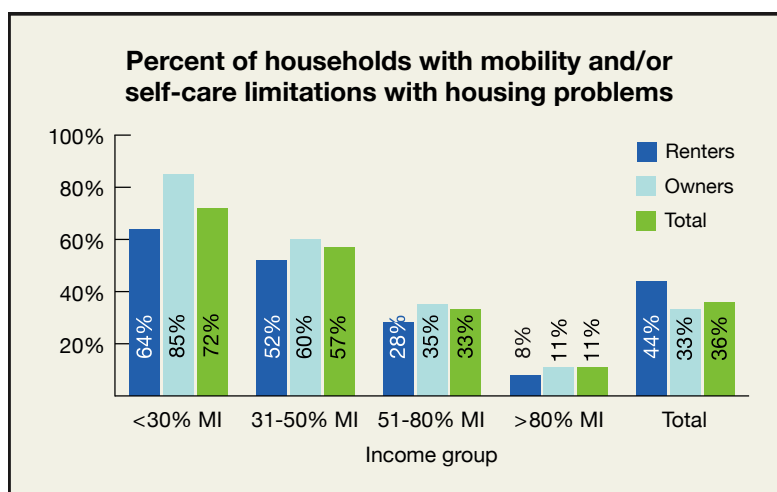
The income groups and Median Family Income noted here is based on HUD’s analysis of Census 2000 data and not the same source as the other Vermont Housing Needs Assessment fact sheets, which rely on more recent data.

## Adults with severe mental illness

In 2008, 6,614 adults were provided outpatient mental health services, 3,076 used community rehabilitation, 255 were served at the State Hospital and an additional 1,950 were unassigned to a specific program but served by a designated



SOURCE: CHAS 2000 VERMONT DATA TABLE.



SOURCE: CHAS 2000 VERMONT DATA TABLE.

mental health agency.<sup>19</sup> The majority of those served earned under \$10,000 annually.

In the 18 months between January 1, 2008 through July 31, 2009, 844 adults with severe and persistent mental illness received temporary rental assistance funded by the state of Vermont. In addition, 38 of the 210 (18%) admissions in 2008 to the Vermont State Hospital had a substantial housing barrier as an impediment to discharge.<sup>20</sup>

### **Incomes of people with disabilities**

Working-age Vermonters (16-64 years old) with a disability earn only 55% on average of what non-disabled Vermonters earn. Their 2007 median income was only about \$15,000.<sup>21</sup> There are 13,881 adults earning Supplemental Security Income (SSI) in Vermont,<sup>22</sup> and for those living independently their monthly check is only \$726 a month, or an annual income of just over \$8,700.<sup>23</sup> 56% of SSI recipients have no other source of income.<sup>24</sup>

### **Ex-offenders**

According to the Vermont Department of Corrections (DOC), between July and September of 2009, 8,974 unique individuals were on probation and parole and an additional 2,554 were on some form of furlough, totaling 10,719 in the community but under DOC supervision.<sup>25</sup>

### **Youth in need**

According to the Vermont Department of Health, “the U.S. Surgeon General estimates that in any year, nearly one in five Vermont children and adolescents (nearly 29,000) will have a diagnosable mental health or addictive disorder. Nearly 7,000

experience severe impairment to life functions, and 15,000 need treatment.”<sup>26</sup> The number of children served by community mental health programs has increased by 150% between 1985 and 2005 while the number of adults served has increased by 11%.

### **Domestic and sexual violence victims and survivors**

According to the Vermont Network Against Domestic and Sexual Violence, in 2008 its 15 member agencies served 7,464 victims of domestic violence and 1,234 victims of sexual violence. 556 were housed in shelters or safe houses, for a total of 16,124 bed nights.<sup>27</sup> In addition, the 2008 Annual Report states:

- Network Programs received and responded to 15,974 hotline and crisis calls.
- 7,835 children and youth were identified as having been exposed to domestic violence in their homes, and 180 children and youth were victims of sexual violence. 193 children were sheltered in Network Program Shelters or Safehomes; and 1,175 additional children received other services from Network Programs.
- 99 Vermonters over the age of 60 received services from Network Programs, as well as 805 Vermonters with physical or emotional disabilities. Network Programs’ prevention/education work throughout the state reached 10,631 kindergarten through high school youth, and 3,951 college students.
- Additionally, 7,596 professional adults (teachers, health and law professionals, State agency staff, etc.) received training and education.

## Data available on homelessness

An information and analysis committee of the Vermont Interagency Council on Homelessness has written a comprehensive guide to the various data sources available to count Vermonters who are homeless. [This report is available online](#) and discusses the many sources, their strengths and weaknesses as well as recommendations for future analysis opportunities. Some highlights from that report include:

- Of the [estimated] 5,400 homeless in Vermont in 2008, approximately 3,750 were sheltered and approximately 1,650 were unsheltered.<sup>28</sup>
- In 2007, 438 of the calls to United Way's 2-1-1 service were received from people who reported being either homeless or at immediate risk of becoming homeless.<sup>29</sup>
- On January 30, 2008, about 18% of the DOC population (excluding Chittenden County) on probation, parole, and other community-based supervision statuses was homeless.<sup>30</sup>
- About 33% of the individuals (excluding Chittenden County) identified as homeless ... were in the community mental health database (containing information on adults served by Community Rehabilitation and Treatment [CRT], Adult Mental Health Outpatient [AOP] and Substance Abuse [SA] programs during FY2008).<sup>31</sup>

Annually, the state's network of shelter and service providers try to count everyone in Vermont who is homeless. During a one-day count in January 2009, 46% of people who were homeless were children and adults in families, including 754 children under 17 (28% of all people counted that day).<sup>32</sup>

## Special needs housing available

### *Housing for people who are homeless*

The state's two Continuums of Care — coalitions of homeless shelter and service providers who meet to plan and strategize about serving and ending homelessness—reported that in 2008 there were 1,495 beds of housing for people who are homeless.<sup>33</sup> These were broken out into three tenures of housing, and divided between beds for individuals and families.

Each year the state's Office of Economic Opportunity reports on the people sheltered by the state's homeless shelters funded by the Emergency Shelter Grant program. Between July 2008 and June 2009 they reported 3,559 people were given shelter, which includes 2,791 adults (78%) and 768 children under 18 (22%). Most of these people were individuals (2,430), and not one of the 419 families (consisting of 1,129 persons). The average length of stay in an emergency shelter was 34 days.<sup>34</sup>

### *Housing for people with disabilities and elderly*

As of August 2009, there were 12,793 housing units in the Directory of Affordable Rental Units (DoARH), which includes all units developed through the major federal and state housing programs. Of those, 274 had limited occupancy to adults with disabilities, another 3,400 were limited to elders only, and an additional 2,650 were limited to either adults with disabilities or people who are elderly.<sup>35</sup> Some non-designated units are also occupied by people with disabilities, elders or who have other special needs.

There are also state-licensed residences for people who are disabled and/or are elderly. Residential care homes are divided into two groups, depending upon the level of care they provide. Level III homes provide nursing oversight, but not full-time nursing

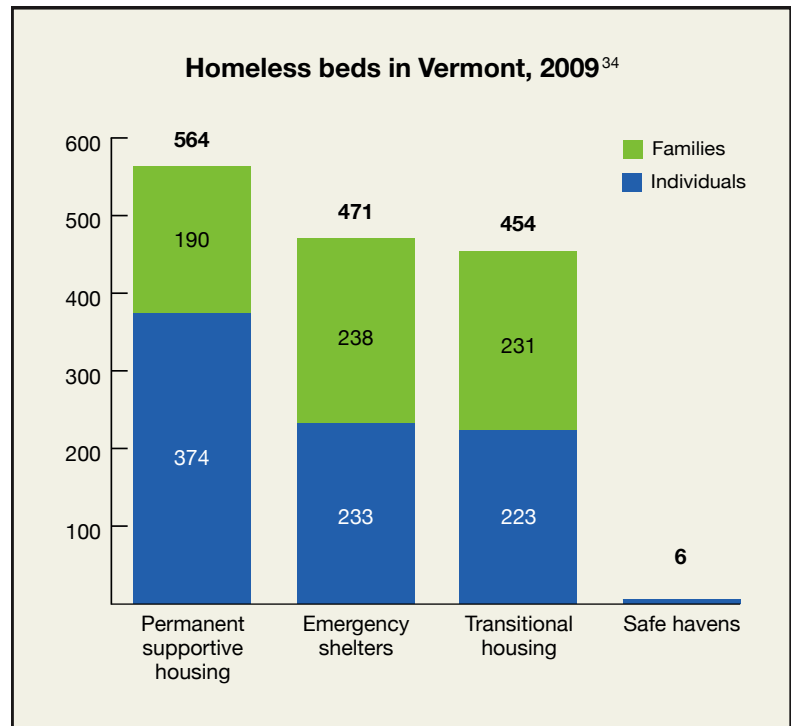
care. Level IV homes do not provide nursing overview or nursing care. As of June 1, 2009, there were 2,284 beds in Level III licensed residences, and an additional 65 Level IV licensed beds.<sup>36</sup> Currently there are eight Assisted Living Facilities in Vermont with 328 beds.<sup>37</sup>

The Vermont Department of Health also reports that housing and home supports are available which “provide services, supports and supervision to individuals in and around their residences up to 24 hours a day.” These include: supervised/assisted living; staffed living; group treatment/living; and both licensed and unlicensed home providers/foster families.<sup>39</sup>

Vermont’s Department of Disabilities, Aging and Independent Living reported the state’s network of licensed nursing homes had a capacity of at least 3,252 beds in 2009.<sup>40</sup>

### *Barriers to accessing available housing*

An Analysis of Impediments to Fair Housing report by the state in 2006 reported that lack of physically accessible housing in the state is an impediment to housing choice. The report states, “Almost one third of fair housing complaints investigated by the [Human Rights Commission] between 2003 and 2005 were on the basis of disability. Most of these were related to accommodation requests in existing units indicating that these households are housed in units that do not meet their needs. More than 90 of the 171 complaints received by HUD from persons in Vermont between 2000 and 2004 were on the basis of disability.”<sup>41</sup>



SOURCE: VERMONT COALITION TO END HOMELESSNESS AND CHITTENDEN COUNTY HOMELESS ALLIANCE.

In addition to physically inaccessible housing, homeownership and rental units might not be available to people with disabilities because of bias, in violation of the federal and state fair housing laws. The Champlain Valley Office of Economic Opportunity completed fair housing testing for for-sale homes and published a report in April 2003.<sup>42</sup> Below are a few findings:

- In 25% of the tests there was evidence of disability discrimination.
- In 19% of the tests, only the tester with a disability was asked about mortgage pre-approval or other financial qualifications. The control tester with no disabilities was never asked about pre-approval.
- In 25% of the tests, the tester with a disability was asked significantly more personal questions. The control tester without a disability was never questioned to this extent.

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- 1 [Federal Register Notice, Volume 64, No 121](#). June 1999. Inflated using Vermont 2006 population estimates from VT Department of Mental Health.
  - 2 [2006 State Estimates of Substance Use & Mental Health](#). US Dept. of Health & Human Services' Substance Abuse and Mental Health Services Administration and Vermont Dept. of Health's Alcohol and Drug Abuse Programs estimate of population from Anne VanDonsel June 2009.
  - 3 Estimated 15% of Vermont's seriously mentally ill population has a co-occurring disability of serious mental health and substance abuse according to Vermont Department of Mental Health [Performance Indicator Project report](#) dated September 2008.
  - 4 [Shaping the Future of Long Term Care and Independent Living](#). Vermont Department of Disabilities, Aging and Independent Living. June 2008. Page 27.
  - 5 [Census 2000, Summary File 3, Table P41](#). US Census Bureau.
  - 6 [Annual Report 2009](#). Vermont Developmental Disability Services. Page 12.
  - 7 [Integrated Epidemiologic Profile for HIV/AIDS Prevention and Care Planning in Vermont](#). VT Department of Health. 2007. Page 44.
  - 8 [Report for Calendar Year 2008](#). VT Interagency Council on Homelessness Information and Analysis subcommittee. May 2009. Page 3.
  - 9 [1st Quarter 2010 Offender Population Count](#). VT Department of Corrections. October 2009.
  - 10 VT Coalition of Runaway and Homeless Youth Project.
  - 11 According to the [Center for Disease Control](#), VT's fertility rate for females aged 15-19 is 20.8 per 100 youth. January 2009. Page 49. [American Community Survey 2005-7, Table B01001](#) reports there are 23,018 females aged 15-19. US Census Bureau.
  - 12 [2008 Annual Report](#). Vermont Network Against Domestic and Sexual Violence.
  - 13 [American Community Survey 2005-7, Table S1801](#). US Census Bureau.
  - 14 [Ibid.](#)
  - 15 [Ibid.](#)
  - 16 [American Community Survey 2005-7, Table R1801](#). US Census Bureau.
  - 17 [American Community Survey 2005-7, Table R1803](#). US Census Bureau.
  - 18 [CHAS 2000 Vermont data table](#).
  - 19 [FY2008 Statistical Report](#). VT Department of Mental Health. October 2008. Page 2.
  - 20 Vermont Department of Mental Health.
  - 21 [American Community Survey 2005-7, Table B18040](#). US Census Bureau.
  - 22 [SSI Recipients by State and County](#). US Social Security Administration. May 2009.
  - 23 [Supplemental Security Income in Vermont](#). US Social Security Administration. January 2009.
  - 24 [SSI Annual Statistical Report](#). US Social Security Administration. September 2009.
  - 25 [1st Quarter 2010 Offender Population Count](#). VT Department of Corrections. October 2009.
  - 26 [2008 Health Status of Vermonters](#). VT Department of Health.
  - 27 [2008 Annual Report](#). Vermont Network Against Domestic and Sexual Violence.
  - 28 [Report for Calendar Year 2008](#). VT Interagency Council on Homelessness Information and Analysis subcommittee. May 2009. Page 3.
  - 29 [Ibid](#), page 6.
  - 30 [Ibid](#), page 7.
  - 31 [Ibid.](#)
  - 32 [2009 Point in Time Report](#). Vermont Coalition to End Homelessness. April 2009.
  - 33 According to Vermont Coalition to End Homeless and Chittenden Homeless Alliance 2009 HUD McKinney/Vento grant submissions.
  - 34 Emergency Shelter Grants Program Vermont Statewide Report, State Fiscal Year 2009. Vermont Office Of Economic Opportunity.
  - 35 [Directory of Affordable Rental Housing](#). June 2009.
  - 36 [Residential Care Homes In Vermont](#). VT Department of Disabilities, Aging and Independent Living.
  - 37 [Assisted Living Facilities](#). VT Department of Disabilities, Aging and Independent Living.
  - 38 According to Vermont Coalition to End Homeless and Chittenden Homeless Alliance 2009 HUD McKinney/Vento grant submissions.
  - 39 [VT Department of Health](#). June 2009.
  - 40 [Vermont Nursing Home Occupancy by County for September 2009](#). VT Department of Disabilities, Aging and Independent Living. Excludes beds in three homes for which information is not available.
  - 41 [Analysis of Impediments to Fair Housing](#). VT Department of Economic, Housing and Community Development. Page 11.
  - 42 [A Real Estate Sales Practices Audit: Fair Housing Law Compliance in Vermont](#). Champlain Valley Office of Economic Opportunity. Pages 8 and 9.

## RACE, ETHNICITY AND HOUSING IN VERMONT

### Summary

- Vermont is more racially and ethnically homogenous than any other state in the U.S. Only about 4 percent of Vermonters are not white or are Hispanic/Latino.
- Fewer non-white households and fewer Hispanic/Latino households own homes in Vermont. About 53-55% of non-white or Hispanic/Latino households living in Vermont own their homes, compared to over 70% among white, non-Hispanic/Latino Vermonters. Nationwide, 49% of non-white or Hispanic/Latino households own their homes.
- Available data indicates that Black/African-American, Native American, and Hispanic/Latino households are more likely to have lower incomes than white, non-Hispanic/Latino households in Vermont. Vermont-based research confirms that lower income households experience significant impediments to housing choice.
- The likelihood of having housing problems (such as cost burden or overcrowding) was substantially higher among non-white households and among Hispanic/Latino households than white households and non-Hispanic/Latino households as of 2000, the most recent year for which this type of comprehensive data is available for Vermont.
- Non-white testers who posed as prospective Vermont home buyers experienced discrimination during the home search process, according to controlled fair housing tests conducted in 2003.



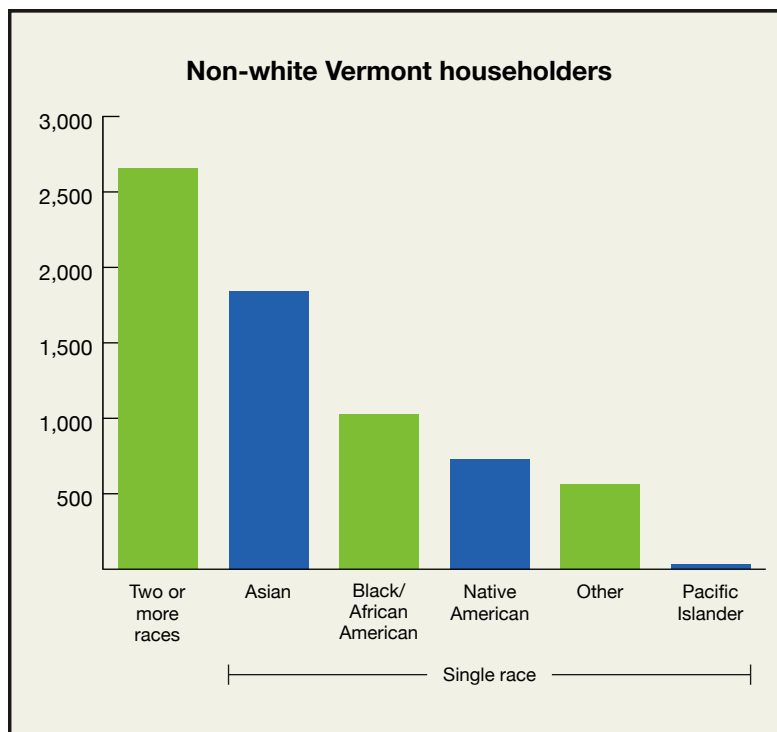
## Size of the non-white population and Hispanic/Latino population in Vermont

More of Vermont's population (96%) is white alone than any other state in the U.S.<sup>1</sup> This percentage has dropped only slightly since the beginning of the decade when it was 97%.<sup>2</sup>

There are currently about 22,300 non-white Vermonters comprising 6,900 households, according to the U.S. Census Bureau.<sup>3</sup> Among single racial groups, the most prevalent non-white race in Vermont is Asian.

Vermont's unique homogeneity extends to ethnicity as well. More of Vermont's population (95%) is neither Hispanic nor Latino than any other state in the U.S.<sup>4</sup> Approximately 2,600 Vermont householders are Hispanic or Latino.<sup>5</sup>

About 1,900 Vermont households are linguistically isolated with limitations communicating in English, according to the Census Bureau.<sup>6</sup> The Vermont Refugee Resettlement program serves many of these families, who arrive from countries such as the Congo, the Sudan, Somalia, and Bhutan. Most refugee families arrive with little understanding of the English language and in need of a place to live. Although the resettlement program provides help with this, finding an apartment for an arriving family can be extremely challenging given Vermont's low rental vacancy rates and the unfamiliarity of many landlords with the native countries of refugee families.<sup>7</sup>



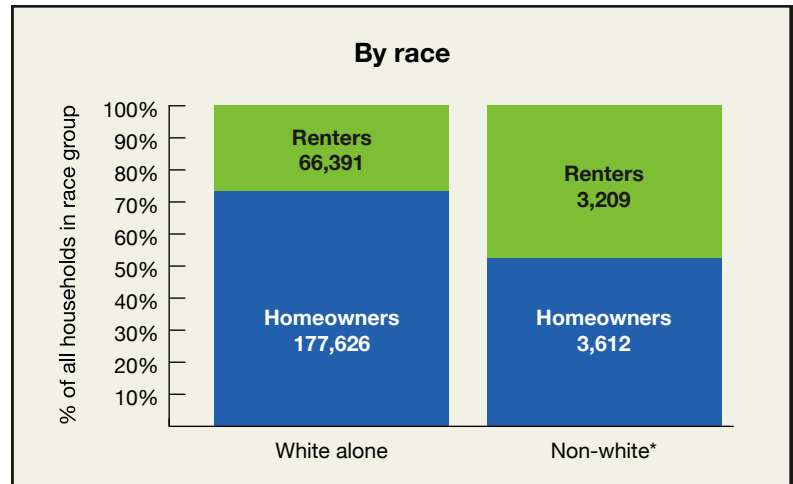
SOURCE: [U.S. CENSUS BUREAU, 2005-7 AMERICAN COMMUNITY SURVEY, TABLE B25006.](#)



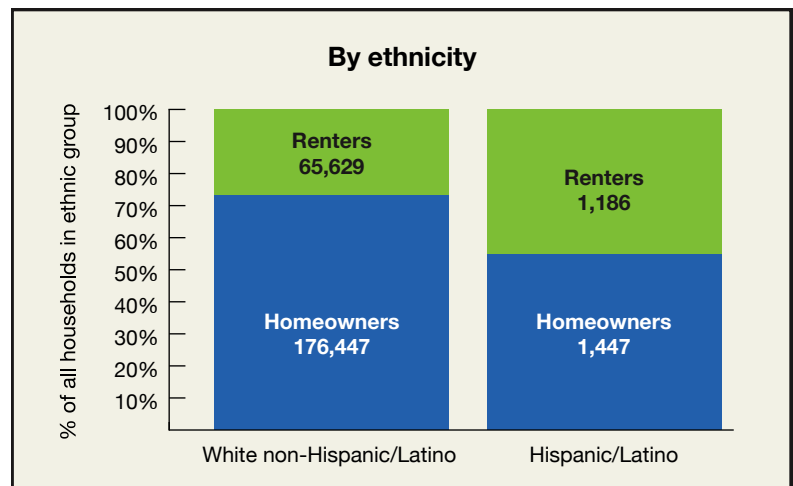
## Fewer non-white households and fewer Hispanic/Latino households own homes in Vermont

Like for the rest of the country, the homeownership rate is significantly lower among non-white Vermont householders and Hispanic/Latino households when compared to other householders. About 53% of all non-white households and 55% of Hispanic/Latino households in Vermont own their homes, compared to more than 70% for their white and non-Hispanic/Latino counterparts. Asian households have a homeownership rate that is higher (64%) than other non-white groups, but lower than for white households in Vermont.

## Lower homeownership rate among non-white households and among Hispanic/Latino households



*\*\*"Non-white" is defined as all households headed by someone who identified themselves as Asian, Black, African-American, Native American, Pacific Islander, other race, or combination of races.*



DATA SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLES B25003A THROUGH I. THE EIGHT FIGURES SHOWN INSIDE BARS ARE THE AMERICAN COMMUNITY SURVEY POINT ESTIMATES (NUMBER OF HOUSEHOLDS).

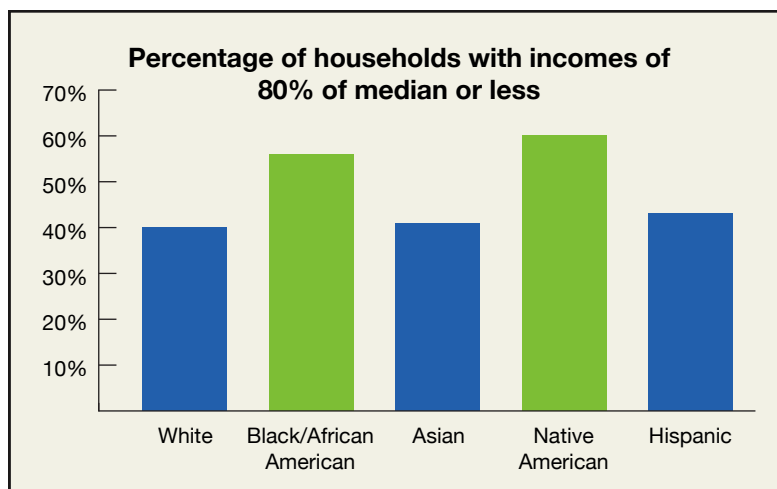
## Non-white, Hispanic/Latino households are more likely to have lower incomes

Households headed by someone who is black, African American, Hispanic, or Native American are more likely to have incomes at or below 80% of the median than white, non-Hispanic households, according to special tabulations of Census 2000 data. No such difference exists for Asian households.

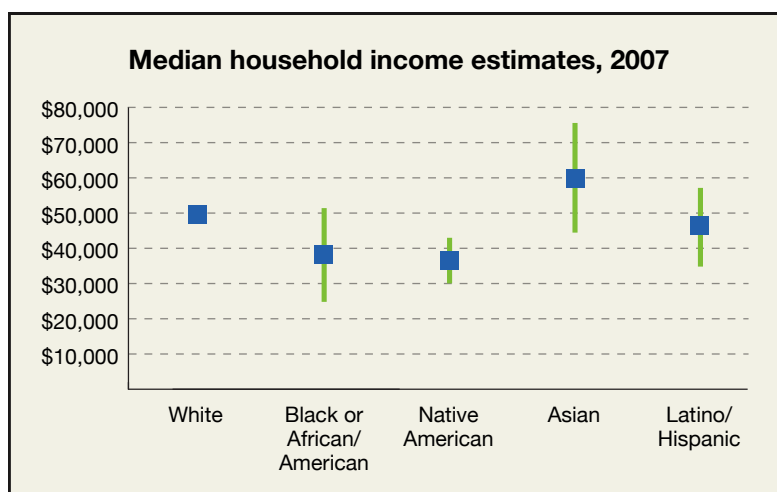
Indications of these income differences persist in more recent data from the American Community Survey, although the small number of non-white Vermonters and Hispanic/Latino Vermonters mandates the consideration of error ranges when using survey results to estimate median household income between decennial Census. The point estimates from the American Community Survey indicate that with the exception of Asian households, median household income among non-white and Hispanic/Latino households is lower than for white households.

The most recent Analysis of Impediments to Fair Housing Choice in Vermont completed for the Vermont Department of Housing and Community Affairs in 2006 also found a higher concentration of low-income households within the African-American and Hispanic communities. The report describes the impact of these lower incomes on housing choice:

*“Limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons. The range of areas within which affordable housing is available is much more limited to low-income households than to higher income households.”<sup>8</sup>*



SOURCE: 2000 COMPREHENSIVE AFFORDABILITY HOUSING STRATEGY (CHAS) DATA.



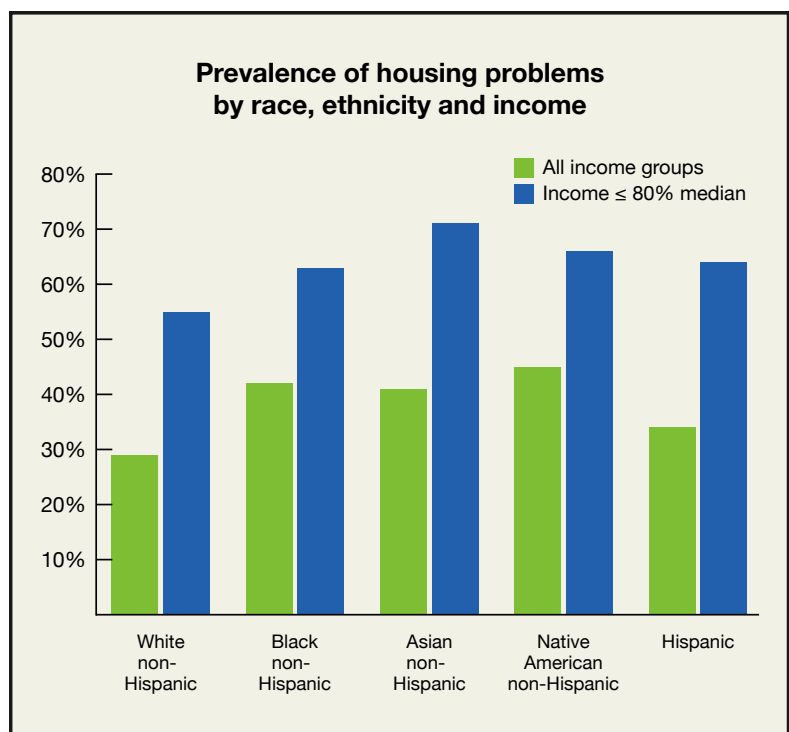
For each race/ethnicity group, point estimates from the ACS are shown by the square markers. Lines stretching above and below the point markers represent the confidence interval at the 90% level.

SOURCE: U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2005-7, TABLES 19013 A THROUGH I.

## More non-white and more Hispanic/Latino households suffer housing problems

More households headed by someone who is non-white or Hispanic/Latino suffer housing problems, according to the 2000 CHAS data. Each non-white group and the Hispanic/Latino group suffers a higher incidence of housing problems than do white households. This disparity occurs among households of all income levels, as well as among lower income households.

Similarly, non-white homeowners and Hispanic/Latino homeowners were more likely to be affected by the subprime loan wave that swept the nation during recent years. Although fewer subprime mortgages were made in Vermont than in all but four other states, thousands of Vermont households were affected.<sup>9</sup> At least 6,000 subprime purchase and refinancing loans were made to Vermont households in 2006 and 2007. In partnership with the Champlain Valley Office of Equal Opportunity, VHFA analyzed Home Mortgage Disclosure Act data for this two-year period to determine the extent of subprime lending in Vermont and its impact among specific types of borrowers. Most subprime loans in Vermont during this period were made to existing homeowners for the purpose of refinancing their mortgages. The likelihood that a refinancing loan made during this period was subprime was higher for non-white borrowers and for Hispanic/Latino borrowers than it was for white, non-Hispanic/Latino borrowers. 22% of the refinancing loans made to white, non-Hispanic borrowers during these years were subprime, compared to 26% for non-white and/or Hispanic borrowers.<sup>10</sup> There was no such difference among home purchase loans.<sup>11</sup>



*Note: Housing problems are defined as paying more than 30% of income for housing expenses, living in overcrowded housing, or lacking complete plumbing or kitchen facilities.*

SOURCE: 2000 COMPREHENSIVE AFFORDABILITY HOUSING STRATEGY (CHAS) DATA.

## Evidence of discrimination

The Champlain Valley Office of Economic Opportunity completed fair housing testing of “for-sale” homes and published a report in April 2003 that concluded that housing discrimination based on race exists in the home buying market in Vermont.<sup>12</sup> Evidence of race discrimination was found in 48% of the tests. Specific results are listed below:

- In 31% of the tests, the tester of color was asked about mortgage pre-approval or other financial qualifications. Only 7% of the white testers were asked about pre-approval.
- In 24% of the tests, the tester of color was asked significantly more personal questions, such as occupation and current residence, than the white tester. Only 10% of the white testers were asked personal questions.
- In 34% of the tests, the white tester was given more house possibilities than the tester of color.<sup>13</sup>

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<sup>1</sup> [American Community Survey 2005-7, Table QCT0201](#). U.S. Census Bureau.

<sup>2</sup> U.S. Census Bureau, Census 2000 Summary File 1, Matrices P1 and P7.

<sup>3</sup> [Population Estimates Program and American Community Survey 2005-7, Table B25006](#). U.S. Census Bureau.

<sup>4</sup> [American Community Survey 2005-7, Table GCT0209](#). U.S. Census Bureau.

<sup>5</sup> [American Community Survey 2005-7, Table B25003H](#). U.S. Census Bureau.

<sup>6</sup> [American Community Survey 2005-7, Table 16002](#). U.S. Census Bureau.

<sup>7</sup> [A Crack in the Rock](#). Vermont Refugee Resettlement Program. March/April 2009.

<sup>8</sup> [Analysis of Impediments to Fair Housing](#). Vermont Department of Economic, Housing and Community Development. Page 11.

<sup>9</sup> Vermont had 7.9 subprime loans per 1,000 housing loans as of May 2009 according to [FirstAmerican CoreLogic, Loan Performance data](#). North Dakota, South Dakota, Montana, and West Virginia were the only 4 states with lower rates.

<sup>10</sup> This difference was statistically significant at the 95% level.

<sup>11</sup> [Subprime Lending in Vermont](#). Champlain Valley Office of Economic Opportunity and Vermont Housing Finance Agency. January 2009.

<sup>12</sup> According to the Analysis of Impediments to Fair Housing Choice, 2006, fair housing testing is a systematic method of determining any differences in the treatment of potential homeowners and renters by those in the housing industry such as real estate agents, leasing agents, property managers, and owners. Testing consists of pairing individuals who have or are given, for the sake of the tests, similar relevant characteristics (i.e. income and employment history) except for the variables that are being tested (i.e. race, sex, disability, familial status, national origin, color, and religion) and sending them to the same location at different times for a visit and inquiry into the available housing. After the contact, the two visits are compared and analyzed to ascertain whether there was differential treatment between the two home seekers.

<sup>13</sup> [A Real Estate Sales Practices Audit: Fair Housing Law Compliance In Vermont](#). Champlain Valley Office of Economic Opportunity. Pages 5-7.

## APPENDIX 1: DATA SOURCES AND METHODOLOGY

This assessment is based on the most recent national and state data available pertaining to Vermont households and housing stock. The most frequent source is the U.S. Census Bureau's American Community Survey (ACS). To minimize error ranges, the 2005-7 three year ACS averages are most often used. In several instances where estimates pertain to large groups of Vermont households and error ranges are minimal, the 2007 ACS single year estimates were used. Although accompanying error ranges were considered in assessing estimate reliability, references in this report to information from the American Community Survey refer to the point estimates, unless otherwise noted.

The availability of annual American Community Survey estimates has improved the accuracy of the Vermont's Housing Needs Assessment, allowing the use of more up-to-date information about Vermont households and the preparation of several new types of housing need indicators. By contrast, the 2005 Vermont Housing Needs Assessment and other studies completed before the availability of annual ACS estimates relied primarily on decennial Census data. The availability of annual estimates affects many findings described in this Housing Needs Assessment. These include the total number of owner and renter households, the number of owners and renters who likely lack affordable housing due to high housing cost burdens, and the level of new rental and owner home construction

activity that is likely to be needed to accommodate population growth.

Some of the estimates used in this report were provided by Nielsen Claritas, a private firm specializing in market data. Nielsen Claritas provided estimates and projections pertaining to the number of households in Vermont in 2009 and 2014, by income group, tenure, and age of householder. Estimates and projections from Nielsen Claritas take into account a variety of factors, including the ACS, local government and consumer databases, and postal delivery counts. Since they take into account inflation, income figures from Nielsen Claritas refer to the dollars of the year that the data pertains to. For example, household income in 2009 is given in 2009 dollars; household income for 2014 is given in estimated 2014 dollars. For more information about the methodology used for these projections, please see the Nielsen Claritas publication entitled [Nielsen Claritas Update Demographics Summary Methodology April 2009](#).

By assuming even distribution within income groups, VHFA converted ACS and Nielsen Claritas estimates on the number of households by fixed income group (i.e. such as less than \$10,000, \$10,000 - \$19,999, etc) to income groupings that are based on the state median income. For 2009, the median income of Vermont households is \$51,000, according to Nielsen Claritas. The chart below defines the income categories referred to in this report:

	2009	2014
Median income	\$51,000	\$56,000
Up to 30%	\$0-\$15,000	\$0-\$17,000
31-50%	\$15,001-\$25,000	\$17,001-\$28,000
51-80%	\$25,001-\$41,000	\$28,001-\$45,000
81-95%	\$41,001-\$48,000	\$45,001-\$53,000
Above 95%	\$48,001+	\$53,000+

Unless otherwise noted, these are the income group definitions used throughout this report. Unlike the income ranges listed above which are based on the overall median income among all Vermont households, eligibility for HUD programs is computed using median income estimates that reflect the size of the household and the county in which the household is located. For this reason, the income ranges shown above do not directly mirror HUD program eligibility dollar limits. We used the Nielsen Claritas estimated state median income (rather than HUD's) to create the groups primarily used in this report to ensure consistency with the other estimates and projections we obtained from Nielsen Claritas for 2009 and 2014 Vermont households.

In addition to the separate groups listed above, the term “lower income household” refers to all households with income less than 80% of the median. The table on the right describes the definition of household income used throughout this study:

VHFA prepared estimates and projections of Vermont's housing supply by using U.S. Census Bureau housing unit estimates, Nielsen Claritas estimates and projections, building permit data, and American Community Survey data regarding tenure, vacancies, and housing type. Estimates of the level of rental and owner unit construction during 2009 and 2014 are based on an annual housing destruction rate of 0.103%--the rate used for housing unit estimates by the U.S.

#### What is counted as “household income”

COUNTED as income	NOT COUNTED as income
Amounts reported separately for wage or salary income	Capital gains
Net self-employment income	Money received from the sale of property (unless the recipient was engaged in the business of selling such property)
Interest, dividends, or net rental or royalty income or income from estates and trusts	The value of income “in kind” from food stamps, public housing subsidies, medical care, employer contributions for individuals, etc.
Social Security or railroad retirement income	Withdrawal of bank deposits
Supplemental Security Income (SSI)	Money borrowed
Public assistance or welfare payments	Tax refunds
Retirement, survivor, or disability pensions	Exchange of money between relatives living in the same household
All other income	Gifts and lump-sum inheritances Insurance payments Other types of lump-sum receipts

SOURCE: [U.S. CENSUS BUREAU, AMERICAN COMMUNITY SURVEY 2007 SUBJECT DEFINITIONS.](#)

Census Bureau for homes built during 1970-1979. The median year built for all rental and owner homes in Vermont is 1970.

A variety of additional data sources were also consulted in the preparation of this report. They are noted throughout the report, with links provided as possible.

## APPENDIX 2

### Consolidated Plan Table 1 — Housing, Homeless, and Special Needs Populations

#### Housing needs

Household type	Elderly renter	Small renter	Large renter	Other renter	Total renter	Owner	Total
<b>0-30% MFI</b>	<b>4,645</b>	<b>4,000</b>	<b>519</b>	<b>6,110</b>	<b>15,274</b>	<b>9,215</b>	<b>24,489</b>
%Any housing problem	55.8	83.8	78.8	76.8	72.3	84.3	76.8
%Cost burden >30	55.2	83.5	68.2	75.6	71.2	83	75.6
%Cost burden >50	36.9	65.3	46.2	64.4	55.6	63.5	58.6
<b>31-50% MFI</b>	<b>3,588</b>	<b>4,043</b>	<b>720</b>	<b>4,839</b>	<b>13,190</b>	<b>14,115</b>	<b>27,305</b>
%Any housing problem	44.1	71.4	79.2	74.8	65.7	64.3	65
%Cost burden >30	43.9	69.7	65.3	73.3	63.8	62.9	63.3
%Cost burden >50	14.9	19.4	12.5	22.8	19	29.4	24.4
<b>51-80% MFI</b>	<b>2,559</b>	<b>5,919</b>	<b>1,175</b>	<b>7,615</b>	<b>17,268</b>	<b>28,758</b>	<b>46,026</b>
%Any housing problem	31.8	26.9	34	32	30.4	43	38.3
%Cost burden >30	31.2	23.7	12.3	30.3	27	41.3	35.9
%Cost burden >50	5.1	1.9	0	2.4	2.5	11.2	7.9

SOURCE: U.S. DEPT. OF HOUSING AND URBAN DEVELOPMENT, COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY TABLES, 2000.

Definitions: "Elderly renter" refers to households headed by someone aged 65 years or more. "Small renter" refers to non-elderly households with 2-4 members. "Large renter" refers to non-elderly households with 5 or more members.

#### Homeless continuum of care: Housing gap analysis chart

		Current inventory	Under development	Unmet need/gap
<b>Individuals</b>				
Beds	Emergency shelter	233	0	186 <sup>1</sup>
	Transitional housing	229	5	33 <sup>2</sup>
	Permanent supportive housing	374	8	40 <sup>3</sup>
	<b>Total</b>	<b>836</b>	<b>13</b>	<b>259</b>
Chronically Homeless		141		
<b>Persons in families with children</b>				
Beds	Emergency shelter	238	9	89 <sup>2</sup>
	Transitional housing	231	0	60 <sup>3</sup>
	Permanent supportive housing	190	0	105 <sup>3</sup>
	<b>Total</b>	<b>659</b>	<b>9</b>	<b>254</b>



## Continuum of Care: Homeless Population and Subpopulations Chart

Part 1: Homeless population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Number of families with children (Family households)	44	65	11	120
1. Number of Persons in Families with Children	130	165	32	327
2. Number of Single Individuals and Persons in Households without Children	181	220	226	627
(Add lines numbered 1 & 2 total persons)	311	385	258	954
Part 1: Homeless population	Sheltered		Unsheltered	Total
a. Chronically homeless	115		119	234
b. Seriously Mentally Ill	185		104	289
c. Chronic substance abuse	211		96	307
d. Veterans	19		13	32
e. Persons with HIV/AIDS	6		1	7
f. Victims of Domestic Violence	91		26	117
g. Unaccompanied Youth (Under 18)	15		1	16
Special needs (non-homeless) subpopulations		Unmet need		
Elderly		87,925 <sup>3</sup>		
Frail elderly		3,226 <sup>4</sup>		
Severe mental illness		26,500 <sup>5</sup>		
Developmentally disabled		13,046 <sup>6</sup>		
Physically disabled		43,500 <sup>7</sup>		
Persons w/alcohol/other drug addictions		50,727 <sup>8</sup>		
Persons with HIV/AIDS		650 <sup>9</sup>		
Victims of domestic violence		8,698 <sup>10</sup>		
Other		n/a		

1 [National Alliance to End Homelessness online calculator](#), using VT's Office of Economic Opportunity's 2008 annual [Emergency Shelter Grant report](#) information for inputs.

2 Chittenden County's 2008 HUD Continuum of Care grant submission.

3 Reinvestment Fund. [Policy Map](#)

4 [Shaping the Future of Long Term Care and Independent Living](#). Vermont Department of Disabilities, Aging and Independent Living. June 2008. Page 27.

5 [Federal Register Notice, Volume 64, No 121, June 24, 1999](#). Inflated using Vermont 2006 population estimates from VT Department of Mental Health.

6 [Annual Report 2009](#). Vermont Developmental Disability Services. Page 12.

7 [Census 2000, Summary File 3, Table P41](#). US Census Bureau.

8 [2006 State Estimates of Substance Use & Mental Health](#). US Dept of Health & Human Services' Substance Abuse and Mental Health Services Administration and Vermont Dept of Health's Alcohol and Drug Abuse Programs estimate of population, June 2009.

9 [Integrated Epidemiologic Profile for HIV/AIDS Prevention and Care Planning in Vermont](#). VT Department of Health. 2007. Page 44.

10 [2008 Annual Report](#). Vermont Network Against Domestic and Sexual Violence.